

FRANCHISE DISCLOSURE DOCUMENT

OnAxis Franchising Group, LLC
A Delaware limited liability company
136 School Street, #286
Spring Mills, PA 16875
(800) 765-8846

www.greenhomesolutions.com
franchisedevelopment@greenhomesolutions.com



~~As a Green Home Solutions Franchisee, you will~~

~~We offer qualified individuals and entities the right to~~ operate a business that offers indoor environmentally preferred solutions and services. ~~("Franchised Business")~~. Currently, these services include Indoor Air Quality testing, mold testing, mold cleaning, odor management, encapsulation/vapor barrier/moisture services, air purification, duct cleaning, disinfection/sterilization, any preparation necessary to gain access to space for remediation, and other indoor air quality and remediation services that create and maintain healthy indoor environments. New services may continue to be added and the franchisees will be offered an opportunity to provide those services and products to their customers.

The total investment necessary to begin operation of a GREEN HOME SOLUTIONS Franchised Business is from ~~\$99,095~~\$102,095 to ~~\$183,570~~\$198,570. This includes ~~\$51,485~~\$56,535 to ~~\$96,700~~\$106,750 that must be paid to us or our affiliates.

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

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

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

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

ISSUANCE DATE: ~~May 18, 2023, as amended August 25, 2023~~April 15, 2024

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Pennsylvania. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Pennsylvania than in your own state.

~~2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.~~

~~3.2. **Mandatory Minimum Payments.** You must make minimum royalty, advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.~~

~~4. **Early-Stage Franchisor.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.~~

~~5. **Estimated Initial Investment.** The franchisee will be required to make an initial investment ranging from \$99,095 to \$183,570. This amount exceeds the franchisor's stockholders' equity as of December 31, 2022, which is \$1,031,943.~~

~~6.3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.~~

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

Supplemental Cover Pages for Transactions Regulated by Michigan

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

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

- (a) A prohibition on the right of a Franchisee to join an association of Franchisees.
- (b) A requirement that a Franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a Franchisee of rights and protections provided in this act. This shall not preclude a Franchisee, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise before the expiration of its term except for good cause. Good cause shall include the failure of the Franchisee to comply with any lawful provision of the Franchise Agreement and to cure that failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure that failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the Franchisee by repurchase or other means for fair market value at the time of expiration of the Franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. The subsection applies only if: (i) the term of the franchise is less than five years and (ii) the Franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the Franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the Franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to: (i) the failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards; (ii) the fact that the proposed transferee is a competitor of the franchisor or sub franchisor; (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; or (iv) the failure of the Franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

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

ANY QUESTIONS REGARDING THE NOTICE CONTAINED ON THE PRIOR PAGE OR THIS PAGE SHOULD BE DIRECTED TO THE DEPARTMENT OF ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: ANTITRUST AND FRANCHISE UNIT, 670 WILLIAMS BUILDING, 525 W. OTTAWA STREET, LANSING, MICHIGAN 48913; TELEPHONE NUMBER (517) 373-7117.

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

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

The Franchisor is OnAxis Franchising Group, LLC, which in this Disclosure Document will be referred to as “we,” “us,” or “Franchisor.” “You” means the person who buys the franchise and includes all your owners and principals if you are a corporation or business entity. ~~The Green Home Solutions Franchise Agreement (the “Franchise Agreement”) is attached as Exhibit C to this Disclosure Document. We may refer to your Green Homes Solutions Franchised Business as the “Franchised Business” throughout this Disclosure Document.~~ If you are a corporation, partnership, limited liability company, or other entity, all owners (and their respective spouses, if any) must sign a Personal Guaranty which means that all of our Franchise Agreement’s provisions will apply to all owners and their respective spouses, if any.

OnAxis Franchising Group, LLC is a Delaware limited liability company, organized on December 29, 2021. Our principal business address is 136 School Street, #286, Spring Mills, Pennsylvania 16875. Our agents for service of process are listed in Exhibit B. We operate under our corporate name and the trademark, GREEN HOME SOLUTIONS ~~(the “Marks”)~~, as well as associated logos and other trademarks designated by us from time to time (collectively, the “Marks”). We do not do business under any other names.

We do not ~~do business under any other names.~~

~~We have not previously offered franchises for Green Home Solutions Franchised Businesses; however, our predecessor, JC Franchising Group, LLC, offered franchises for Green Home Solutions Franchised Businesses from April 2010 until May 2022. Other than the franchises being offered in this Disclosure Document, we do not~~ and have not in the past offered franchises in ~~this or~~ any other line of business, and we are not involved in other business activities. We do not operate, and have not operated, a business of the type described in this Disclosure Document. ~~However, our predecessor JC Franchising Group, LLC previously operated Green Home Solutions Businesses.~~

In certain geographic regions we ~~may offer~~ previously offered rights to qualified candidates who ~~possess~~ possessed sufficient financial resources and business background (“Area Representative(s)”) to develop a specified number of franchised units within a defined area ~~(the “Area of Responsibility”).~~ The Area Representative business ~~is was~~ offered under a separate Disclosure Document from July 2022 until March 2024. As of December 31, 2023, there were five (5) Area Representatives operating in the United States. In regions with an Area Representative, we may delegate certain certification programs and support obligations to Green Home Solutions franchisees.

Parents

On August 25, 2023, NSF GHS, LLC (“NSF GHS”) became ~~the our~~ majority owner and parent company ~~of us.~~ NSF GHS’ principal business address is 555 E. Lancaster Avenue, 3rd Floor, Radnor, Pennsylvania 19087. NSF GHS is the holding company through which private equity investors acquired the majority interest in us. As part of this transaction, we entered into a Management Services Agreement with NSF II Management Company, LLC (“NFS II”). NFS II shares a principal business address with NSF GHS. Neither NSF GHS nor NFS II has offered franchises in any line of business, nor have they operated a Green Home Solutions business. Franchised Business.

Predecessor

Our predecessor, JC Franchising, Group, LLC is a Georgia limited liability company organized on April 27, 2010. JC Franchising Group’s principal business address is 136 School Street, #286, Spring Mills, Pennsylvania 16875. From April 2010 through May 2022, JC Franchising Group offered Green Home

Solutions Franchised Businesses. On June 1, 2022, JC Franchising Group transferred certain of its assets, including the Marks and the rights to Franchise Agreements to us (the “**Transaction**”). Except for the franchising of ~~Green Home Solutions businesses and operation of Green Home Solutions’ businesses~~Franchised Businesses before the Transaction, JC Franchising Group, LLC did not offer franchises in any line of business and did not operate any other businesses, except that it previously operated businesses similar to a Franchised Business (a “Green Home Solutions Business”) until 2021, when one was sold to a franchisee and one closed.

In August 2018, our predecessor entered into a Master Operator Agreement (“MOA”) under which a third party (“Master Operator”) was granted the right to use the Marks in the operation of its business, which it operates under its own “TrueEnviro” service mark in certain geographic areas. Under the MOA, the Master Operator pays a different royalty rate and is subject to different product purchasing terms. Neither we nor our predecessor use or grant licenses or franchises to any other person or entity to operate using the “TrueEnviro” mark and the royalty rate and product purchasing terms are not offered to other Green Home Solutions® Franchisees. Our predecessor assigned the MOA to us in June 2022. The MOA limits our right to use the Marks in certain defined geographic areas. We are not able to sell this Green Home Solutions franchises within those areas.

Affiliated Franchise Programs

Affiliates

Through common control by affiliates of NSF GHS, we are affiliated with the below franchise programs. None of these affiliates operate a Green Home Solutions business nor have they offered franchises for Green Home Solutions businesses, or any other lines of business except as provided below.

Affiliate	Address	Franchise Offered	# of Franchised Outlets as of December 31, 2023
Blo Blow Dry Bar Inc. (“Blo”)	1867 Yonge Street, Suite 600, Toronto, Ontario, Canada M4S 1Y5	Since January 2010, Blo has offered franchises in the United States for full-service blow dry businesses offering public hair styling and cleansing products and accessories operating under the name Blo Blow Dry Bar®.	109 in the United States and internationally
Duck Donuts Holdings, LLC (“Duck Donuts”)	1215 Manor Drive, Suite 302, Mechanicsburg, Pennsylvania 17055	Since April 2021, Duck Donuts has offered franchises for retail businesses offering freshly made to order donuts and other authorized products under the name DUCK DONUTS®. Before that, Duck Donuts’ affiliate and predecessor, Duck Donuts Franchising Company, LLC, offered Duck Donuts franchises from October 2012 through April 2021.	145 in the United States and internationally
TSR Franchise Group LLC (“TSR”)	915 Spring Garden Street, Philadelphia, PA 19123	Since February 2023, TSR has offered franchises for restaurants offering donuts, fried chicken, coffee and other authorized products under the name FEDERAL DONUTS®.	0

Affiliate	Address	Franchise Offered	# of Franchised Outlets as of December 31, 2023
Barkley Ventures Franchising, LLC (“BVF”)	3699 N. Dixie Highway, Oakland Park, Florida 33334	Since February 2022, BVF has offered franchises in the United States for canine care facilities offering day care, boarding services, grooming services, training, specialty retail boutique for dogs, and other products and services operating under the name Central Bark.	38 in the United States and internationally

~~Blo Blow Dry Bar Inc.’s (“Blo”) principal business address is 1867 Yonge Street, Suite 600, Toronto, Ontario, Canada M4S 1Y5. Since January 2010, Blo has offered franchises in the United States for full-service blow dry businesses offering public hair styling and cleansing products and accessories operating under the name Blo Blow Dry Bar®. As of December 31, 2022, there were 99 franchised facilities in the United States and internationally.~~

~~Duck Donuts Holdings, LLC’s (“Duck Donuts”) principal business address is 1215 Manor Drive, Suite 302, Mechanicsburg, Pennsylvania 17055. Since April 2021, Duck Donuts has offered franchises for retail businesses offering fresh made to order donuts and other authorized products under the name DUCK DONUTS®. Before that, Duck Donuts’ affiliate and predecessor, Duck Donuts Franchising Company, LLC, offered Duck Donuts franchises from about October 2012 through April 2021. As of December 31, 2022, there were 112 franchised locations in the United States.~~

~~TSR Franchise Group LLC’s (“TSR”) principal business address is 237 St. James Place, Philadelphia, Pennsylvania 19010. Since February 2023, TSR has offered franchises for restaurants offering donuts, fried chicken, coffee and other authorized products under the name FEDERAL DONUTS®. As of February 1, 2023, there were no franchised locations in the United States.~~

~~Barkley Ventures Franchising, LLC’s (“BVF”) principal business address is 3699 N. Dixie Highway, Oakland Park, Florida 33334. Since February 2022, BVF has offered franchises in the United States for canine care facilities offering day care, boarding services, grooming services, training, specialty retail boutique for dogs, and other products and services operating under the name Central Bark. As of December 31, 2022, there were 35 franchised facilities in the United States.~~

As of the date of this Disclosure Document, one of our affiliates, IAQ Solutions, LLC, is in the process of purchasing the assets of NzymSys, Inc., which is our preferred provider of disinfectant and mold remediation products. IAQ Solutions, LLC is a Delaware limited liability company formed on April 2, 2024 with a principal business address of 136 School Street #286, Spring Mills, Pennsylvania 16875. NzymSys, Inc. is a Delaware corporation formed on July 7, 2005 and its principal business address is 642 Hilliard St, Manchester, Connecticut 06042. Neither NzymSys, Inc. nor IAQ Solutions, LLC offers franchises in any line of business nor operate businesses similar to the one offered in this Disclosure Document.

The Business

~~Green Home Solutions Franchisees will~~Franchised Businesses are known by the mark “GREEN HOME SOLUTIONS” as well as other trademark and tradenames that we designate from time to time, as discussed below. The System focuses on providing effective marketing and promotional support, strategies, and implementation to support our Franchisees. Accordingly, Franchised Businesses offer a menu of environmentally preferred indoor air quality solutions, including indoor air quality testing, mold cleaning, odor management, disinfection, air duct cleaning, and other related services to its customers in accordance with our model and system within their designated and protected territories. ~~Green Home Solutions Franchisees will offer, as well as~~ mold, indoor air quality, and odor cleaning services. Our intent is to develop and bring to market additional environmentally preferred products and services to solve issues with indoor environments. As these new products and service offerings are developed, Franchisees, if in good standing, will be offered the opportunity to incorporate them into their Franchised Businesses. If we offer you the right to provide additional services, you and we may enter into an addendum to the Franchise Agreement for each new product or service offering. Each new product and service offering may require the payment of an additional initial fee, on-going fees or royalty payments, and minimum product purchase requirements.

You will receive a comprehensive certification program with our unique system and procedures enabling you to market and provide the initial services and the additional services and products that may be developed in the future, within your protected area. As we add additional products and services, additional certifications may be required by you before offering the new product(s) or service(s). You may incur additional royalties and minimum purchase amounts. We own a distinctive system and source of supply of product for the establishment, marketing, and operation of an environmentally preferred solution business in your protected area (the “System”). Distinguishing characteristics and elements of the System include, without limitation: specifications and procedures for operations; quality and uniformity of products and services offered; certification programs and assistance; and advertising and promotional programs, all of which may from time to time be changed, improved, and further developed. ~~The System includes rights to certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, owned by or licensed to us, including, but not limited to, the mark “Green Home Solutions,” and all other trade names, service marks, and trademarks as are now or later used in the System.~~

We identify the ~~Green Home Solutions business~~Franchised Business by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the marks “Green Home Solutions,” distinctive trade dress, and all other trade names, trademarks, and service marks as we now designate or may in the future designate in writing for use in the System (collectively, the “Marks”). We and ~~our Franchisees~~Franchised Businesses will use the Marks to identify for the public the source of services and products marketed under the Green Home Solutions System, and to represent the System’s high standards of quality, appearance ~~and service~~, and service. Under your Franchise Agreement, we grant to you the non-exclusive right to operate a Franchised Business using the Marks; to use certain designs, color schemes, trademarks, and service marks, and to use certain trade secrets, operating methods, and other confidential and valuable information. We refer to this information as “Proprietary Information.”

~~Our Franchisees are known by the mark “GREEN HOME SOLUTIONS.” The System focuses on providing effective marketing and promotional support, strategies, and implementation to support our Franchisees.~~

We offer the right and license to operate a ~~Green Home Solutions business~~Franchised Business within a mutually agreed on protected territory, for an initial term of ~~7~~ten (10) years. This Disclosure Document and the Franchise Agreement, which is attached to this Disclosure Document as Exhibit C, describe what can cause us to terminate your franchise. After your ~~franchise~~Franchise Agreement expires, you may renew your franchise for an additional ~~7~~ten (10)-year ~~term~~term, provided you meet the standards established in the Franchise Agreement and sign the then-current Franchise Agreement.

A ~~Green Home Solutions business~~Franchised Business requires about 500–3,000 square feet of space and is located in a protected territory (“Protected Territory”) that contains at least about 100,000 people and will typically be defined within a designated geographic region, such as contiguous counties, cities, or zip codes. At our sole discretion, you may be permitted to purchase additional ~~Territories. Each Franchise follows uniform procedures. Qualified and trained individuals must manage and/or operate your Franchised Business. We will provide you with initial certification; however, you must comply with all local, state and federal guidelines regulating your franchise. We will give you a list of any approved products, supplies, etc.~~Protected Territories.

~~Under your Franchise Agreement, we grant to you the non-exclusive right to operate a Green Home Solutions business using the Marks; to use certain designs, color schemes, trademarks, and service marks, and to use certain trade secrets, operating methods, and other confidential and valuable information. We refer to this information as “Proprietary Information.”~~

Competition

Your market consists of owners of small businesses, owners and managers of residential real property, and contractors that perform services in your designated and Protected Territory. Your competitors will be other service companies which may be independently owned or franchised. You may also face competition from the Master Operator offering products and services under Green Home Solutions® marks in conjunction with the “TrueEnviro” mark in defined geographic areas (See Item 13). The market for these services businesses is competitive and well established. The Business is not seasonal.

Regulatory Matters

You must comply with all federal, state, and local laws and regulations that apply to your operations, including those pertaining to the mold removal and control industry, licensing, workers’ compensation, corporate, tax, environmental, sanitation, insurance, no smoking, EEOC, OSHA, non-discrimination, employment, and sexual harassment laws. You must obtain and maintain any related permits, licenses, certifications, or other indications of authority necessary for the operation of your Franchised Business.

Several states currently have statutes or regulations pertaining to mold remediation, duct cleaning, sanitation, and remediation, among other aspects of a ~~Green Home Solutions business~~Franchised Business, which include requirements for licensure and training. You are responsible for investigating the availability and requirements for obtaining all licenses in your state. We assume no responsibility for your compliance with any statutes, ordinances or regulations that may affect your Franchised Business or your ability to conduct the Franchised Business in your Protected Territory. Your signing of the Franchise Agreement will serve as confirmation that you have fully investigated all laws, ordinances and regulations that have a material impact on your ability to conduct the ~~GREEN HOME SOLUTIONS BUSINESS~~Franchised Business in your Protected Territory.

We may require you to obtain particular permits, licenses, accreditations or certifications that might not be required by law but that we deem necessary in our sole discretion. This may be required before you are able to offer certain services and products that are a part of the Green Home Solutions System.

We have resources available as a reference to you, but you are solely responsible for investigating, understanding, and complying with laws, regulations, and requirements applicable to you and your Franchised Business.

~~(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)~~

ITEM 2
BUSINESS EXPERIENCE

Chairman of the Board and Chief Cultural Officer: Russell Weldon

Mr. Weldon has been our Chief Cultural Officer and a Director since June 2022. Before that Mr. Weldon was the Chief Cultural Officer and a Director of JC Franchising Group, LLC from January 2014 through May 2022.

President and Chief Executive Officer: Jeff Panella CFE

Mr. Panella has been our CEO since June 2022. Before that Mr. Panella was the CEO of our predecessor, JC Franchising Group, LLC, from August, 2017 through May 2022.

Chief Development Officer – ~~Glen Snyder CFE~~ Tom Monaghan

Mr. ~~Snyder~~Monaghan has been our Chief Development Officer since ~~June, 2022~~October 2023. Before that Mr. ~~Snyder~~Monaghan was ~~the~~International Chief Development ~~Office of our predecessor JC Franchising Group, LLC~~Officer for Prosperity Brands (BNI and Corporate Connections) from ~~May 2016~~August 2022 to ~~May~~October 2023. Before that he was the Senior Vice President of Franchise Recruiting for CertaPro Painters from August 2020 to June 2022. Prior to that Mr. Monaghan was Chief Development Officer of Philly Pretzel Factory from 2015 to 2020.

Chief Science Officer: David Bloom

Mr. Bloom has been our Chief Science Officer since June 2022. Before that Mr. Bloom was the Chief Science Officer of our predecessor, JC Franchising Group, LLC from July 2015 to May 2022. Since December 2007 he has also served as the President of ~~azymSys~~NzymSys, Inc. in Manchester, Connecticut.

Chief Operating Officer: Albert Winnick

Mr. Winnick has been our Chief Operating Officer since June 2022. Before that Mr. Winnick was the Chief Operating Officer of our predecessor, JC Franchising Group, LLC, from January 2021 through May 2022. Before that Mr. Winnick was the Chief Operating Officer of TrueSpecEyeBar in New York, New York from January 2019 through October 2020. Before that Mr. Winnick was the National Sales Director for Zyloware Eyewear in Port Chester, New York from September 2017 to August 2019.

Vice President of Legal and Administration: Traci Frey

Ms. Frey has been our Vice President of Legal and Administration since June 2022. Before that she was Vice President of Legal and Administration and with the Legal Department of our predecessor, JC Franchising Group, LLC, from September 2017 through May 2022.

Marketing Director: Justin Bailey

Mr. Bailey has been our Marketing Director since February 2023. From August, 2022 to February 2023, Mr. Bailey was a Senior Marketing Specialist for Arosa in Raleigh, North Carolina. Before this, Mr. Bailey was a Marketing Consultant for Equivity in Las Vegas, Nevada from August 2021 to July 2022. From May 2013 to December 2020, Mr. Bailey was a principal at Carolina's Executive Limo Line in Charleston, South Carolina.

Director: Karen Weldon

Ms. Weldon has been a Director since June 2022. Before that Ms. Weldon was a director of our predecessor, JC Franchising Group, LLC from February 2018 through May 2022. Ms. Weldon has not been employed since June 2008.

Director: William Curran

Mr. Curran has been a Director since June 2022. Before that Mr. Curran was a director of our predecessor, JC Franchising Group, LLC from July 2021 to May 2022. Mr. Curran was the Founder and CEO of Accustream in Denver, Colorado from January 2007 through January 2021 and is currently the Founder and CEO of Single Path Solutions in Denver, Colorado.

Except as described above, the location of the employer for each of the officers, directors and management personnel listed in this Item 2 is Spring Mills, Pennsylvania.

ITEM 3
LITIGATION

Our Concluded Litigation:

~~OnAxis Franchising Group, LLC as successor in interest to JC Franchising Group, LLC v. S&N Home Solutions, LLC, Leslie Clay Neff, and Laura Jane Neff, in the Superior Court of Fulton County, Georgia, Civil Action File No: 2022CV371169. On October 7, 2022, we initiated this action against former franchisee S&N Home Solutions, LLC and its guarantors Leslie Clay Neff and Laura Jane Neff (the "Neffs") seeking injunctive relief and damages arising from the Neffs' operation of a competitive business in violation of the post termination non-compete obligation in their franchise agreement. After a hearing on our Motion for a Temporary Restraining Order, the Superior Court of Fulton County granted our Motion and entered a Temporary Restraining Order that required the Neffs to cease the operation of their competitive business in violation of the post termination non-compete obligation in their franchise agreement. The Parties then participated in a Court ordered mediation, following which the Parties entered into a settlement agreement. Under the settlement agreement, the Neffs agreed to pay \$43,000.00 to us, and the Neffs further consented to the entry of a Final Order and Permanent Injunction which enjoins the Neffs from operating a competitive business in violation of the post termination non-compete obligation in their franchise agreement through July 22, 2025. The Final Order was entered on November 28, 2022.~~

Concluded Predecessor Litigation:

In Christine Belcher; Ezekial Flores; Kenneth Richardson; Michelle Stephens v. JC Franchising Group, LLC dba Green Home Solutions; The Elite Group Commercial, Inc. and Chad Hett; and Does 1 through 50, Superior Court of the State of California, County of Los Angeles, Central District, Case No. BC594379, filed September 9, 2015. A former franchisee alleged that our Area Representative, Chad Hett, had wrongfully performed services in its protected territory. Claims were made against ~~us~~our predecessor alleging breach of the Franchise Agreement, breach of the implied covenant of good faith and fair dealing, fraud and deceit by intentional and negligent misrepresentation and other causes of action. We were never served with the lawsuit. Without an admission of liability, a Settlement Agreement and Release was entered into by the parties in which the Defendants agreed to pay the gross sum of \$66,641.26. Of that amount, ~~we~~our predecessor agreed to pay \$23,715.00 and The Elite Group Commercial, Inc. and Chad Hett agreed to pay \$42,926.26. A Settlement Agreement was signed in January 2016 and the case was dismissed on February 29, 2016.

In JC Franchising Group, LLC v. Terrapin Sales, LLC and Ronald C. Sager, State of Connecticut Superior Court, Judicial District of Hartford; Docket #: HHD-CV-19-6104324-S, in the Superior Court for Connecticut, Judicial District of Hartford, on December 6, 2018, we alleged that Terrapin Sales, LLC and Ronald C. Sager, former Franchisees, breached their Franchise Agreements justifying their termination by

failing to create and maintain numerous business records thereby preventing us from conducting an audit of their operations, failing to comply with tax laws, infringing on Protected Territories of other Green Homes Solutions franchisees, and failing to comply with operational standards. The Defendants filed a counterclaim alleging breach of contract, declaratory relief, injunctive relief, breach of the implied covenant of good faith and fair dealing, and violation of the Connecticut Unfair Trade Practices Act. We settled the matter on March 12, 2019, and signed a Settlement Agreement with the Defendants whereby the Defendants agreed to pay all unpaid royalties, fees, and other amounts owed to us under the applicable Franchise Agreements, and we agreed to allow the Defendants to operate a competing business in a limited Territory provided they did not use the Proprietary Marks and complied with all other post-term obligations stated in the applicable Franchise Agreement and the Settlement Agreement.

Our Concluded Litigation:

In Harod Ventures, LLC et al v. OnAxis Franchising Group, LLC, Central District of California, Case No. 2:23-cv-07196 filed on August 30, 2023. A former franchisee, collectively, “Harod,” whose franchise agreements expired on August 31, 2023, filed a complaint against us seeking a declaration that the post-term non-competition covenants in his franchise agreements were unenforceable under California law. On September 20, 2023, Harod dismissed this case without prejudice.

In OnAxis Franchising Group, LLC v. Harod Ventures, LLC, United States District Court for the Northern District of Georgia, Case No. 1:23-cv-04835 filed on October 21, 2023. We filed a complaint against Harod asserting breach of contract, unfair competition, trademark infringement, and violation of Georgia’s Uniform Deceptive Trade Practices Act in response to Harod operating a competing business in violation of the post-term non-competition covenants in the franchise agreements. On the same day, Harod filed a complaint in the United States District Court for the Central District of California (Case No. 2:23-cv-08878) against us again seeking a declaration that the post-term non-competition covenants in his franchise agreements were unenforceable under California law. On November 9, 2023, Harod moved to dismiss our action on the grounds of failure to state a claim, lack of jurisdiction, and improper venue, which motions were granted in part and denied in part on February 9, 2024. On December 15, 2023, we moved to dismiss Harod’s action and on February 8, 2024, our motion was granted. On December 28, 2023, the Court in Georgia entered a preliminary injunction prohibiting Harod from operating the competing business and ordering us to post a bond of \$100,000. On April 8, 2024, the parties entered into a settlement agreement wherein Harod agreed to pay to us a settlement amount of \$150,000 and to cease operating the competing business for a period of two (2) years, and the parties further agreed to mutual general releases and that we would file a Joint Motion for Consent Final Judgment.

Other than the actions listed above, no litigation must be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Disclosure Document.

ITEM 5 **INITIAL FEES**

Initial Franchise Fee

New Business

You must pay us an Initial Franchise Fee of \$~~4555~~,000 in full when you sign your Franchise Agreement for your Protected Territory. A minimum Protected Territory is defined as a geographic area containing a population of about 100,000. The Initial Franchise Fee for additional units that are purchased at any time during the term of the Franchise Agreement ~~are as follows: For additional units purchased, the Franchise Fee is \$2530,000 per unit.~~ You must be in good standing to qualify to purchase additional units.

~~We currently rely on the 2020 U.S. Census information to determine the population of the Territory.~~ The Initial Franchise Fee is refundable only if we notify you of our desire to terminate the Franchise Agreement after you have completed the Initial Certification program, but before your Opening Date of the Franchised Business, provided that you return all of the Initial Equipment and Inventory Package in new and unused condition and ~~you and~~ we enter into a mutual General Release. Other than as provided above, the Initial Franchise Fee is fully earned when paid, is uniformly applied, and is non-refundable.

Military and First Responder Discount

We offer a ~~25~~20% discount off the Initial Franchise Fees for active and honorably discharged retired US Military Personnel; ~~for the purchase of their first Protected Territory.~~ This discount can be used on any Protected Territory that will be owned at least 33.34% by (a) a US Military individual ~~and~~ (requires submission of a Form DD-214. ~~We also offer a 25% discount of the Initial Franchise Fee for first responders. This discount can be used on any Territory that will be owned at least 33.34% by) or~~ a first responder, including, law enforcement, firefighters, EMTs, paramedics, and frontline healthcare workers. These discounts ~~are not combinable~~cannot be combined.

Initial Equipment and Inventory Package

Indoor Air Quality Services including Mold, Odor, and Duct Cleaning

You must purchase the Initial Equipment and Inventory Package from us when you sign the Franchise Agreement, for \$25,000 to \$30,000, which is payable in a lump sum when you sign your Franchise Agreement. This package gives you the tools, equipment and supplies needed to perform our Indoor Air Quality Services including mold, odor, and duct cleaning. This fee is not refundable under any circumstances, unless the Franchise Agreement is terminated as provided above and the complete Initial Equipment and Inventory Package is returned to us in new and never used condition, at your expense.

Specialized Sanitizing and Disinfecting Services

If you elect to offer hospital grade sanitizing and disinfecting services in your Franchised Business, then you must purchase an equipment package for that service, which currently costs between \$13,250 and \$16,000.

Pre-Paid Certifications and Fees

You must pay us between \$400 and \$4,000 for additional certifications, set up fees, and other fees, which may include any of the following items to be determined at our discretion: Point-of-Sale (POS) onboarding fee, website management onboarding fee, 1st year Annual Conference Fee, American Council for Accredited Certification ("ACAC") certification, annual charitable contribution commitment. These fees also include optional items such as Duct Cleaning Certification (\$275 Air Systems Cleaning Specialist ("ASCS") Member Rate; or \$450 ASCS Non-Member Rate per attendee), our preferred call center setup fee (\$150) and Finance Management Training (\$200).

Software

You must pay us a ~~\$200~~\$250 technology fee related to our assistance with the Customer Relationship Management Database (CRM) and ~~Point-of-Sale (POS)~~ software.

Additional Services

Other additional services may be available to you initially or at other points during the operation of your Franchise. ~~These additional services will require the purchase of additional products and/or equipment to perform. We have provided in this Disclosure Document the additional amounts needed to reasonably start any service(s) that we have fully implemented and made available to Franchisees as of the~~

~~date of this Disclosure Document~~ Franchised Business. None of our equipment and product packages as listed in this Disclosure Document include the cost of shipping to your location(s). If we offer you the right to provide additional services, you and we may enter into an addendum to the Franchise Agreement for each new product or service offering. Each new product and service offering may require the payment of an additional initial fee, on-going fees or royalty payments, and minimum product purchase requirements.

Except as described above, we do not require you to pay us or any of our affiliates any fees for products or services you purchase from us or them before you open your Franchised Business.

Opening Advertising

Although not paid to us, you are required to expend at least \$10,000 on advertising and promoting your Franchised Business for the first six (6) months after you sign the Franchise Agreement.

You must pay between \$295 to \$500 per month for website management provided by our approved and designated vendor for your specific landing page on our website as part of opening advertising during the first 90 days after signing the Franchise Agreement. We pay the vendor directly and invoice you for the cost.

Unless stated otherwise above, all the initial fees described in this Item 5 are uniformly imposed and collected and are non-refundable.

ITEM 6 **OTHER FEES**

Type of Fee¹	Amount	Due Date	Remarks
Royalty Fee	The greater of (i) a royalty of 7% - 10%, based on the total of monthly Gross Revenue collected and number of units owned; or (ii) a minimum royalty of \$740 per month per unit. The minimum Royalty Fee of \$740 is not applied during the first 90 days of the Franchise Agreement but does apply to the first 90 days of a renewal franchise term.	The monthly minimum amount is due on the 5 th of the current month. Any additional royalty owed on the model is due on the 5 th of the following month.	Royalties are paid through ACH from your designated bank account. “Operational date” is defined as the date of completion of all pre-opening obligations. See Notes 2, 3 and 4.
Mold Remediation and Cleaning Products	Our cost plus a reasonable mark-up.	On Invoice	You must purchase your entire supply of mold remediation and cleaning products from us.
Additional Services or Products – Minimum Product Purchase Requirements and Royalties	To be determined in an addendum to the Franchise Agreement depending on the new products and services that we offer, if any. Such amount will depend on product or service, but Franchisees will know such amount before committing to add such additional service or product.	As required in the applicable addendum to the Franchise Agreement	Franchisees are not required to participate in offering new services or products that may require additional product purchase minimums or additional royalty fees

Type of Fee ¹	Amount	Due Date	Remarks
Brand Development Fund	Up to 2% of Gross Revenue. The current Brand Development Fund Fee is 1.25% of Gross Revenue.	The Brand Development Fund is due monthly on the 5 th day of the month by ACH from your designated account.	We use the Brand Development Fund to promote the System and public awareness of our products and services or at our discretion, for the implementation and operation of a social media program and lead generation program. We may increase, decrease, or otherwise modify the Brand Development Fund Fee in our discretion.
Assignment or Transfer Fees ⁵	New owners or existing owners, in good standing for the previous 2 quarters, pay \$10,000 for the first transferred unit. If multi-units are transferred by same Transferor and Transferee within the same transaction, the first unit will be \$10,000; additional units will be \$5,000 each.	On any assignment, sale, or transfer of the franchise except to a spouse or child (over 18 years of age) on death or disability.	Due on transfer of your franchise, payable at signing.
Renewal	\$2,650 per unit	No later than 30 days before the renewal date.	If you are not in default in any of your obligations to us, and if you continue to meet our requirements for approving Franchisees, your Franchise Agreement is renewable for additional 10-year periods.
Insufficient Fund Fees	\$50 per occurrence	Immediately on demand.	Payable if any of your payments to us are not honored by your financial institution. If not remedied, additional \$50 charge every 15 days.

Type of Fee ¹	Amount	Due Date	Remarks
Audit Fee	Our cost of inspection and audit	On billing	If the examination reveals a discrepancy of two (2%) percent or more of the amount that you should have paid or reported, or any other audit findings that reveal a breach of the Franchise Agreement, then you also must pay and reimburse us for all expenses connected with the examination.
Additional Certification	Currently there is no fee for the Certification Program, but we reserve the right to charge a fee in the future.	On billing	We also may offer additional or refresher certification programs, and continuing education which may be mandatory.
Additional Certification done at franchise location	Currently \$500 per day, or the then-current rate, plus a per diem charge for expenses the certification facilitator incurs		We may provide additional or refresher certification programs, and continuing education which may be mandatory, onsite at your location. You may be charged for additional mandatory certification.
Annual Conference, if any	We may charge a fee to cover speakers, meals, and activities, up to \$1,000 per entity (charged regardless of attendance). We reserve the right to increase this fee.	On billing	This fee covers attendance (without travel and lodging) for two people. If you wish to send additional people, we will publish and charge a separate fee per extra person, also due on billing.
Indemnification	Will vary under the circumstances	As incurred	You must reimburse us if we incur any expenses related to claims involving the operation of your Franchised Business and if we are held liable for damages or other relief related to the operation of your Franchised Business.
Charitable Contribution	Up to \$2,500 per legal entity, annually	Annually, before March 1 st	Fee will be collected by ACH from account on file with us

Type of Fee¹	Amount	Due Date	Remarks
Insurance Default	\$500 per occurrence	Immediately on demand	You must pay us this fee if you fail to obtain the required insurance.
Insurance Administrative Fee	18% of the cost of the insurance premiums plus the amount of the premiums we paid	On demand	If you fail to comply with the minimum insurance requirements, we have the right to obtain the insurance and keep it in force and effect and you must pay us, on demand, the premium cost thereof and administrative costs of 18% in connection with our obtaining the insurance.
Late Payment Fee	\$100 plus 18% interest per annum, or the maximum interest rate allowed by law, whichever is lower.	On demand	We charge you a late fee and interest for any amount you owe to us that you do not pay when due.
Shipping Costs for Products and Equipment	Will vary depending on such factors as the amount of product shipped and the distance.	As incurred	You will pay all costs of shipping of the products from our corporate facilities or affiliate to your location.
Broker Fee	10% of the sale price of the Franchised Business. Fees to outside brokers will vary.	At the closing of the sale	You will pay us a fee of 10% of the sale price of your Franchised Business if we secure a purchaser for you. If we must pay a broker on account of a Transfer of your Franchised Business, then you will reimburse us for the brokerage fees.
Costs and Attorney's Fees	Will vary under the circumstances	As incurred	Payable only if you do not comply with the Franchise Agreement.

Type of Fee¹	Amount	Due Date	Remarks
Computer System Corruption Fees	Will vary under the circumstances. Charges will include reimbursement of charges from outside vendors and verifiable internal expenses in relation to the issue.	On demand	Payable if a virus that is on your computer is found to have infiltrated the corporate computer support services and caused a black out or deterioration of services and you do not have an acceptable virus protection software subscription that is properly installed on all connected devices.
Supplier Testing Fee	Up to \$1,000	On demand	We have the right to charge you a reasonable fee to cover the costs we incur in evaluating non-approved suppliers.
Territory Infringement Violation Fee	First incident – fee of 2 times the full price received from the customer(s); second incident – fee of 4 times the full price received from the customer(s); third incident – termination of Franchise Agreement(s). Infringement offenses will be calculated throughout the term of your current Franchise Agreement. We have the right to collect all administrative fees, legal fees, and court costs incurred while investigating and resolving the infringement complaint. We will retain the administrative fees collected from the offending franchisee and remit the penalty amount collected from the offending franchisee to the franchisee whose “Protected Territory” the services were wrongfully provided, minus the applicable Royalty fee and any past due amounts.	On demand	If we determine that you have provided services within another franchisee’s Protected Territory, without written permission from the owner of the Protected Territory, we will, in our discretion impose on you an administrative charge and penalty.

Type of Fee ¹	Amount	Due Date	Remarks
Breach of Agreement Granting Permission to Work in Others' Territory	If you have been given written permission by another franchisee to perform work in its "Protected Territory", and you breach that agreement, you must pay a commission to the franchisee that has the Protected Territory in which you provided services. The commission is at least 15% of the total gross sale, unless otherwise agreed on between the franchise owners.	On demand	The breaching franchisee must pay this commission to the non-breaching franchisee. The non-breaching franchisee must include the commissions received in its Gross Revenue and must pay all required fees on this Gross Revenue.
Provide Estimate in Others' "Protected Territory"	If you provide an estimate to perform services in another franchisee's "Protected Territory", we will in our discretion, impose a penalty that includes administrative fees and penalties in the amount of the estimate.	On demand	You must pay the fees and penalties directly us and we will remit the fee collected, minus the administrative fees to the franchisee whose Territory was infringed.
Failure to Provide a Referral in Other's "Protected Territory"	Failure to timely pass the lead is an infringement that will include a fine based on the system-wide average price per job at that time. Infringement may also trigger a Default against your franchise.	On demand	We require you to refer leads received from outside of your "Protected Territory" to the Owner of the "Protected Territory" within 12 business hours of receiving the lead. If on investigation, we determine that you have failed to provide a referral in another franchisee's Protected Territory, we will, in our discretion impose a penalty equal to an infringement which will include a fine based on the system wide average price per job at that time. Which may also trigger a Default against the franchise.

NOTES:

1. Unless otherwise noted, all fees are imposed by us and are payable to us. We also reserve the right to require you to pay all fees by automatic bank drafts. To facilitate the automatic bank draft, you must sign the documentation that we or your bank require. We also accept payment by credit card(s), but we reserve the right to charge administrative fees on the use of this option.

2. Our monthly royalty structure is as follows:

For Franchisees with 1-2 Territories

(Levels are Retroactive Discounts)

Monthly Gross Revenue	Royalty Payment
\$0 - \$8,999	10%
\$9,000 - \$13,999	9.25%
\$14,000 and Over	8.25%

The term “Retroactive Discount” means, for example a franchise whose Monthly Gross Revenue is \$14,000, will be charged a Royalty of 8.25% on all of its Monthly Gross Revenue.

Model Continuation for Franchisees with 3 or More Territories

(Levels are Cascading Discounts)

This additional portion of the model is a continuation of the previous 3 levels. While the prior levels are a retroactive structure, the additional levels are cascading starting at \$28,000.

Monthly Gross Revenue	Royalty Payment
\$28,000 - \$54,999	\$2,310 plus 7.5% on amount over \$27,999
\$55,000 - \$84,999	\$4,335 plus 7.25% on amount over \$54,999
\$85,000 and greater	\$6,510 plus 7.0% on amount over \$84,999

All of a Franchisee’s [Protected Territories](#)’ monthly Gross ~~Revenues~~[Revenue](#) can be combined in this model. However, there is a monthly minimum royalty of \$740 per unit that must be reached before this model can be used. This monthly minimum royalty takes effect on the 91st day following the Effective Date of the Franchise Agreement. The ability to combine units in this model is based on a common ownership amongst Territories of at least 33.34%. As an example, you have ownership in multiple Territories as follows:

Territory A – 100%

Territory B – 50%

Territory C – 33.34%

Territory D – 25%

Territory D cannot be included in your combined royalty model, due to you having ownership of less than 33.34%. Assume that each of the unit’s monthly Gross Revenue is \$25,000. For this example, the 3 units would have a minimum of \$2,220 (3*\$740) or \$5,785 (\$4,335 plus 7.25% on \$20,001). Since the variable royalty model produces a higher royalty, the Territories would remit \$5,785 for your 3 Territories in total.

“**Gross Revenue**” means the aggregate of all monies and receipts derived from all services and products sold in your ~~Green Home Solutions business~~[Franchised Business](#); all revenue derived from the operation of the Franchised Business and the exploitation of the franchise system and/or the Marks by you and whether the Gross Revenue is evidenced by cash, credit, services, property, or other means of exchange. Gross Revenue also includes the proceeds of any insurance payments intended to replace your revenue as a result of the interruption of your business. Gross Revenue does not include (a) all sales taxes imposed by governmental authorities directly on sales and actually collected from customers, provided these taxes are

added to the selling price, and are, in fact paid by you to the appropriate governmental authority, or (b) cash refunds and credit given to customers provided the related sales have been included in Gross Revenue for which royalties were previously paid. Additionally, "Gross Revenue" will also not include any revenue charged by subcontractors which have provided services to your customers which are related to or ancillary to the Green Home Solutions services you provide to your customers.

3. The ability to combine Territories is controlled by you but must be agreed on by the majority ownership of each business entity that controls the Territories in question. Each unit can only be used once in a combined model. It is up to you to determine which units are combined into a royalty model. Once you group Territories, the grouping cannot be changed for 6 months. However, additions of Territories due to new purchases or transfers can be added to your current groupings at any time.

Misrepresentation or late reporting of monthly royalty information is subject to a penalty payment of 10% of the average monthly unit revenue each month, including true up of actual monthly revenue at 10% royalty payment.

4. Any fee that is expressed as a flat amount is subject to an increase on an annual basis based on an increase in the Consumer Price Index. The term "CPI Adjustment" refers to our right to increase a fee based on an increase in the Consumer Price Index: All Urban Consumers (CPI-U), published by the Bureau of Labor Statistics, U.S. Department of Labor, or a comparative index we select if the foregoing index is no longer published.

5. The Transfer Fee compensates us for the expenses we incur related to the transfer, such as attorney's fees, certification programs, and other assistance we provide the Transferee.

6. All fees are uniformly imposed and collected and are non-refundable. However, in cases and circumstances in which it was appropriate to do so, we may have waived some or all of these fees for a particular franchisee.

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ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Initial Franchise Fee ¹	\$30,000	\$55,000	Lump sum	On signing Franchise Agreement	Us
Initial Equipment and Inventor Package ²	\$25,000	\$30,000	Lump sum	On signing Franchise Agreement	Us
Additional Equipment Required for Optional Sanitizing and Disinfecting Services ²	\$0	\$16,000	Lump Sum	On opting into this service category	Us
Travel and living expenses while attending the certification program ³	\$250	\$4,000	As incurred	Before and during certification	3 rd party vendors
Lease and Leasehold Improvements ⁴	\$0	\$5,000	As negotiated	As negotiated	Landlord and contractors
Security, Lease, and Utility Deposits ⁴	\$0	\$1,000	As incurred	Before opening	Landlord, utility companies
Office equipment, furniture, and fixtures ⁵	\$0	\$3,000	Lump sum or as negotiated	Before opening	3 rd party vendors, or designated suppliers
Vehicle ⁶	\$1,000	\$2,500	As negotiated	Before opening	3 rd party vendors
Vehicle Wrap ⁷	\$1,500	\$3,500	Lump sum	Before opening	3 rd party vendors
Opening Advertising ⁸	\$10,000	\$20,000	Lump sum	As invoiced by vendor	Us and 3 rd party vendors
Insurance ⁹	\$2,400	\$5,000	As incurred	Before opening	Insurance providers
Software License Fees ¹⁰	\$445	\$1,500	As invoiced	As invoiced by vendor	Us and software vendors
Licenses and Permits	\$0	\$3,500	Lump sum	Before opening	Licensing authorities
Business Licenses and Permits	\$100	\$1,000	Lump sum	Before opening	Government agencies
Professional Fees ¹¹	\$1,000	\$3,000	As incurred	As incurred	Attorneys & accountants

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Prepaid Certifications and Fees ¹²	\$400	\$4,000	As incurred	Before and as incurred	Us, 3 rd party vendors, or designated suppliers
Employee Background Checks ¹³	\$0	\$570	As incurred	Before hiring employees	Designated supplier
Additional Funds (3 Months) ¹⁴	\$30,000	\$40,000	As incurred	During first 90 days of operations	Various suppliers
Estimated Total Initial Investment	\$102,095	\$198,570			

* Except as otherwise indicated, all of the above fees are non-refundable. We do not offer any financing for any portion of your initial investment.

NOTES:

1. See Item 5 for information on the Initial Franchise Fee.
2. The Initial Equipment and Inventory Package for a minimum Protected Territory of 100,000 people costs between \$25,000-~~\$~~ and \$30,000 plus tax and shipping costs to your chosen destination. This is a mandatory equipment package that enables you to perform our core services: indoor air quality testing, mold and odor management and sanitizing/disinfection. We determine the contents of this package and we may change it from time to time based on new or better equipment and/or products. You may have the ability, either initially or throughout the term of your franchise, to choose to participate in other services that the brand offers. When you choose to participate in a service and obtain the proper certification, there may be other equipment that you must purchase from us or other vendors. All the equipment package minimum amounts for any of our services do not include basic small equipment that you may already own or you can purchase at your discretion (i.e. scissors, small drills, etc.). You must obtain appropriate certification to perform duct cleaning services. The duct cleaning equipment is included in the Initial Equipment and Inventory Package. If you wish to add hospital grade sanitizing and disinfecting services to your Franchised Business, you must purchase the required equipment which currently costs up to \$16,000 plus shipping.
3. Although we do not charge for the initial certification, you must pay for your and your employees' travel, food, lodging, etc., as well as expenses incurred from not being at your approved location during the initial certification program. The low estimate contemplates your commuting to the certification program on a daily basis. There are certification programs for the additional services that the franchise offers. Certification programs for these services may be administered by us or an approved third party. There may or may not be a fee for this certification program, which will not include the costs of travel, food, lodging, etc., that you or your employees incur, as well as expenses incurred from not being at your approved location during the certification program.
4. You may operate your Franchised Business from a home office. If you chose to locate your business outside of your home, we anticipate your renting a location in a Class "C" or light industrial space with about 500 ~~3,000~~ square feet. Your location must be suitable for parking your Service Vehicle and for storage of the products and other supplies and tools used in the Business. You will incur initial deposits, monthly fees, build-out or improvement expenses, and other related expenses. The amount of the build-out expenses you will incur vary based on factors including the amount, if any, of allowances provided by your

landlord. This estimate includes rent for the first 3 months and a deposit of 1 month's rent. You should consult with your own attorney regarding the lease and related matters.

5. These may include a desk, chair, computer, phone, access to copier/printer, etc. The low estimate contemplates your owning sufficient office furnishings, the high estimate contemplates your leasing office furnishings or furnished office space.

6. You must own, lease, or buy one vehicle (the "Service Vehicle") for use in the Franchised Business. The Service Vehicle must be a new or low mileage, late model vehicle as we approve. The low estimate represents the estimated total lease or purchase payments for the first 3 months. The high estimate represents the estimated total lease or purchase payments for the first 3 months for a shorter-term lease. Additional vehicles and equipment trailers may be required as you purchase additional Territories or add on additional services under your Green Home Solutions Franchise. We must approve any Service Vehicle or trailer you require or need before purchase.

7. Your Service Vehicle and/or equipment trailers must be wrapped as we require and approve. The fee listed is for the advertising wrap for the one required Service Vehicle. We must approve all wraps and vehicle accessories (light bars, winches, lift kits, etc.).

8. This amount includes opening advertising expenses that you will likely incur during the first 90 days of operations. ~~\$885—\$1500~~We require that you expend at least \$10,000 on advertising and promoting your Franchised Business for the first six (6) months after you sign the Franchise Agreement. Between \$885 and \$1,500 of this fee is payable directly to us for website management.

9. See Item 8 for additional information on insurance requirements.

10. This amount includes expenses you will incur to purchase software to operate your business and properly maintain your Customer Relationship Database (CRM), Point-of-Sale (POS), and other business software. We have a designated and approved CRM and POS vendor, but there is a ~~\$200~~\$250 technology fee for getting the systems installed. All other required and recommended software can be found in the Brand Standards Manual.

11. This amount includes expenses you will incur to obtain legal counsel to review the Franchise Agreement and this Disclosure Document and to form your business entity and obtain an accountant to set up your accounting systems.

12. This includes prepaid or upfront fees for additional certifications, set up fees, and other fees, which may include any of the following items to be determined at our discretion: 1st year Annual Conference Fee, ACAC certification, charitable contribution, Point-of-Sale onboarding fee, website management onboarding fee. Additionally, you may elect to include any of the following: duct cleaning training, call center onboarding fee, finance educational workshop, which are incorporated into the high range of these fees.

13. Franchisees must obtain background checks for all employees. Within the first 90 days of operating, most franchisees will hire between 0 and 3 employees. The per-employee cost of a background check typically ranges from \$35 to \$95, plus an additional \$95 court fee for background checks in New York.

14. This category covers the initial expenses you will likely incur while you establish your business. Your expenditures will depend on factors such as your business skills and experience, general and local economic conditions, competition, the prevailing wage rate, and the volume of business you conduct during the initial period, how well your business is performing, and the number of hours you are willing to invest in your business. These expenses do not include any draw or salary for the owners of the Business, but they do include employee salaries. This is only an estimate, and we cannot guarantee that the amounts stated will be adequate. You may need additional funds during the first 3 to 6 months of initial operations

or afterwards. We do not furnish or authorize our salespersons or any other persons or entities to furnish estimates as to the capital or other reserve funds necessary to reach “break-even” or any other financial position, nor should you rely on any such estimates. The 3-month period noted for “Additional Funds” in the above chart covers the time by which most franchisees are fully in operation but does not necessarily mean that you will have reached “break-even,” “positive cash flow,” or any other financial position. In addition, the estimates presented relate only to costs associated with the Franchised Business, and do not cover any personal, “living,” unrelated business or other expenses you may have, such as royalty payments, or debt service on any loans. Although we make no estimates regarding the financial performance of a ~~Green Home Solutions business~~ Franchised Business, we recommend that, in addition to the additional funds shown, you have sufficient personal savings and/or income so that you will be self-sufficient and need not draw funds from your business for at least 6 months after start-up. We have relied on our experience in operating Franchised Business offices and the experience of our franchisees to compile these estimates.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your ~~Franchise~~ Franchised Business according to our “System Standards.” System Standards may regulate, among other things, the service types, models and brands of required furnishings, equipment, signs, materials and supplies to be used in operating your franchise, required or authorized products and product categories and designated or approved suppliers of these items. You may not resell any of the products you use in customer treatments at wholesale or retail. You may only sell the products in conjunction with the application or services that you provide to your customers. We reserve the right to modify the standards and specifications to achieve our quality and uniformity goals.

Designated and Approved Suppliers and Specifications

You must purchase certain items, including computer hardware and software, safety equipment, marketing materials, and other products, supplies and equipment from designated or approved suppliers, which may be limited to us or our affiliates. You must maintain a mobile credit card processing solution to allow you to accept customer payments, as we approve. Although you do not receive any additional benefits from us for using the approved items, in order for us to protect and maintain our reputation and the goodwill of our System and our Marks, certain products, supplies, promotional items, apparel and equipment must be purchased from a supplier we approve as meeting our quality standards. ~~We call these suppliers “~~ (“Approved Suppliers.”) We will provide the list of Approved Suppliers, which we have the right to change, in the Brand Standards Manual. We or our affiliates may be an Approved Supplier or the only supplier of approved items.

Currently, we are the only approved supplier of the mold remediation and cleaning product that you must use in your Franchised Business. We will derive revenue and other material consideration on account of these purchases in the form of a mark-up. In addition, we may receive revenues from purchases by franchisees from designated suppliers in the form of a rebate, based on a % of revenue the supplier receives from the franchisees for their purchases or based on a fixed amount per item sold. This rebate can be paid directly to us or applied to a supplier invoice to reduce the amount owed. We also may receive revenue from a designated supplier in the form of a discounted unit price on equipment billed to us by the supplier that is shipped direct by them to the franchisee. During fiscal year ~~2022~~2023, we received \$~~661,311~~870,483 based on franchisees’ purchases ~~from June through December.~~ Our total revenues during ~~2022~~2023 were \$~~2,730,870~~4,242,852 and the revenues that we received from franchisee’s purchases (\$~~661,311~~870,483) represents ~~242~~1% of our total revenues. David Bloom, our Chief Science Officer, owns an interest in ~~azymSys~~NzymSys, Inc. which is our preferred provider of disinfectant and mold remediation products. Other than David Bloom and ~~azymSys~~NzymSys, Inc., no franchise officer owns an interest in any other supplier.

As stated in Item 1, one of our affiliates, IAQ Solutions, LLC, is in the process of purchasing the assets of NzymSys, Inc. Upon such purchase by IAQ Solutions, LLC, other than this affiliate, no franchise officer will own any interest in any supplier.

All of your employees who have direct contact with the public must wear our approved Green Home Solutions logoed apparel while they are engaged in their employment activities. All franchisees must purchase background checks of each of their employees from our Approved Supplier.

Any product, equipment, or packaging that has our name or any of our trademarks on it, must meet certain specifications, and we must approve it. If you wish to purchase any supplies, equipment or fixtures that are not on one of the approved lists or any item that does not comply with our System Standards, you must first submit to us a request for a new approved supplier or new item, which must include sufficient information, specifications, and samples for our determination whether the item complies with System Standards or the supplier meets approved supplier criteria. We have the right to charge you a reasonable fee to cover the costs we incur in making this determination (which at this time will not exceed \$1,000). We will establish procedures for submitting requests for approval of items and suppliers, which will be supplied to you on request, and may impose limits on the number of approved items and suppliers. After you request approval of an item or supplier, we will notify you within 90 days of our approval or disapproval. Approval of a supplier may be conditioned on requirements relating to product quality and standards of service and may be temporary, pending our further evaluation of the supplier. If we determine that an approved supplier or product no longer meets our specifications and change to an alternate supplier and/or product, we will revoke our approval and provide you with 30 days-notice to exhaust your inventory.

The equipment, furnishings, products, and supplies you must purchase or lease in accordance with our specifications represent ~~45~~40% to ~~50~~45% of your total purchases in establishing your Franchised Business and 17% to 22% of your total purchases in operating your Franchised Business.

Currently there are no purchasing or distribution cooperatives. We and our affiliate may negotiate supply and/or discount arrangements with suppliers for the benefit of our franchisees, but we are not required to do so. We do not provide material benefits to you as a result of your making purchases from approved suppliers.

Area Representatives may receive a payment based on the products we or our affiliates sell to franchisees.

Insurance

You must obtain and maintain, at your own expense, insurance coverage that we require. All policies must: (i) insure you; (ii) name us as an additional insured; (iii) your insurance carrier must give us at least 30 days' (10 ~~days~~ days for non-payment of premium) written notice for any cancellation or modification of your policies; and (iv) contain a waiver by the insurance carrier of all subrogation rights against us and other parties covered by the insurance. Your insurance costs may not be uniform because insurance premiums differ depending on your location, the services that you are offering in the Green Home Solutions system, your insurance company's assessment of the risk of insuring you, the amounts of insurance you need, your insurance history, applicable law in the jurisdiction where your Franchised Business is located and general economic conditions. You must provide us with a copy of the insurance certificate and update it yearly. We can request verification of current insurance at any time.

Our System Standards and/or other agreements may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchise and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at

your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims.

Currently, you must maintain, in your state(s) of operation, in the amounts we prescribe, general liability coverage; ~~vehicle insurance; bodily injury and property damage combined to include non-owned and hired auto and other coverage as required by law for all vehicles used in the operation of the franchise; and the statutory workers compensation and disability required by law in your state. Your Franchised Business must be insured under an~~ errors and omissions ~~policy. coverage, pollution liability cover, commercial auto coverage, workers' compensation, property/business interruption coverage, umbrella coverage, cyber liability coverage, and crime insurance coverage. We recommend that you also obtain employment practices liability coverage and bailees coverage.~~

The cost of ~~this all of your insurance~~ coverage will vary depending on the insurance ~~carrier's~~ charges, terms of payment and your history. All insurance policies must be issued by a company with an A.M. Best rating of at least A and must name OnAxis Franchising Group, LLC as an additional insured party. Your obligations relating to insurance coverage are defined in the Franchise Agreement and currently include, ~~but may and are~~ not ~~to~~ be limited to, minimum single limit broad form comprehensive general liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate coverage; commercial vehicle insurance and non-owned automobile coverage with limits of \$1,000,000; cyber liability ~~first and third party~~ of at least \$500,000. We also require you to obtain a third-party bond for your employees. These policies must cover all employees and subcontractors.

Service Vehicles

You must own, lease, or buy one vehicle (the "Service Vehicle") for use in the Franchised Business. The Service Vehicle must be a new or low mileage, late model Ford, Mercedes, Nissan, or another vehicle as we approve. You must receive approval for your Service Vehicle from us before purchase. You must maintain your Service Vehicle in a clean condition and in a manner to reflect positively on the System. You must repair any visible damages to the vehicle. We must approve of any trailer you require or need. Your Service Vehicle and/or equipment trailers must be wrapped as we require in the Brand Standards Manual. We must approve all wraps and vehicle accessories (light bars, winches, lift kits, etc.).

Modifications to the System

Changes in the market, business conditions or other factors may occur during the term of your Franchise Agreement. As a result of those changes, we may make changes to the System which may include modifications to the services you must offer, certifications, required insurance policies and coverage, suppliers, specifications, and other aspects of the System. You must comply with all changes that we make. Changes made, may in fact, result in additional cost to you.

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ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	6.1	11
(b) Pre-opening purchases/leases	6.1; 6.3; 6.4; 6.10; 7.1	5, 7, 8
(c) Site development and other pre-opening requirements	6.1; 6.2; 6.3; 6.4; 6.5; 6.6; 6.10	11
(d) Initial and ongoing certification programs	6.5	6, 7, 11
(e) Opening	6.2	5, 7
(f) Fees	1.5.5; 2.2.4; 3.2.5; 4; 10.2; 12.4.8; 12.5.9	5, 6, 7, 11
(g) Compliance with standards and policies/Operating Manual	6.8; 7	8, 11, 16
(h) Trademarks and proprietary information	5	13, 14
(i) Restrictions on products/services offered	1.4; 1.5; 6.9; 6.10	8, 16
(j) Warranty and customer service requirements	6.14; 6.23	8, 11, 15, 16
(k) Territorial development and sales quotas	1.4; 1.5	12
(l) On-going product/service purchases	6.10	6, 8
(m) Maintenance, appearance, and remodeling requirements	6.3; 6.7; 6.8; 9.2; 9.3	12
(n) Insurance	16	6, 7, 8
(o) Advertising	8	6, 7, 11
(p) Indemnification	19	6, 13
(q) Owner's participation/management/staffing	6.6	15
(r) Records and reports	10	6, 9, 15
(s) Inspections and audits	6.16; 10	6, 8, 11
(t) Transfer	12	6, 17
(u) Renewal	2.2	17
(v) Post-termination obligations	14	17
(w) Non-competition covenants	11	15
(x) Dispute Resolution	15	17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

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

Except as listed below, OnAxis Franchising Group, LLC is not required to provide you with any assistance.

Assistance Before Opening

Before you open your Franchised Business, we will provide you with the following assistance:

1. Protected Territory: We will grant you a Protected Territory within which neither we nor any of our affiliates will sell, establish, or operate another ~~Green Home Solutions business~~Franchised Business (Franchise Agreement Sections 1.1).
2. Site Selection: You may operate your Franchise from a home office or from any reasonable location we approve within your Protected Territory. We do not assist you in selecting or reviewing a proposed location for your business or in negotiating any lease (Franchise Agreement Section 3.1.2).
3. Confidential Brand Standards Manual: After you sign your Franchise Agreement, and pay your Initial Franchise Fee, we will loan you or provide you with access to the electronic version of one copy of our Brand Standards Manual, which describes our methods of operation and includes other operational information. The Brand Standards Manual remains our property, and you must give all parts, reproductions, etc. back to us when and if you no longer own and/or operate your franchise. The Table of Contents of the Brand Standards Manual is attached as Exhibit F to this Disclosure Document (Franchise Agreement Sections 3.1.1). The total number of pages in the Brand Standards Manual is 157.
4. Certification: We will furnish you and your Manager with the Green Home Solutions Initial Certification program (Franchise Agreement Section 3.1.4). Any additional certifications will be communicated as they are formulated and made available.
5. Specifications for Equipment and Supplies: We will provide you with our mandatory specifications for the equipment and supplies you will need to operate your Franchised Business (Franchise Agreement Section 3.1.5).
6. Grand Opening Advertising: We will advise you on your grand opening advertising program. We require that you expend at least \$10,000 on advertising and promoting your Franchised Business for the first six (6) months after you sign the Franchise Agreement. (Franchise Agreement Section 3.1.3).
7. Internet Presence: We will establish a web presence for your business (Franchise Agreement Section 3.1.6).

Site Selection

We will not own or lease the site for your premises. You may operate your Franchised Business from the premises that you own or lease. You may operate the Franchised Business from a home office. You must locate your business within your Protected Territory. We will not unreasonably withhold our consent to your proposed location, but we will not provide any direct site selection assistance to you, and we will not review your lease. We do not provide any assistance to you with the construction, remodeling, or review of your plans for the construction or remodeling of the proposed site. We will evaluate your proposed location within 2 weeks of your submission to us of a complete site approval package (Franchise Agreement Section 3.1.2). The factors that we will consider in approving your site include: (i) whether the proposed location has sufficient space for your business including adequate storage for tools, equipment and chemicals, and parking for your Service Vehicle(s); (ii) whether the proposed site has sufficient capacity for telephone and data lines; and (iii) whether the proposed site is consistent with our System Standards, as those standards may be modified from time to time. Our approval of a proposed location for your Franchised

Business is not a representation or warranty of any kind, express or implied, that the site is suitable for the Business, only that it meets our general criteria.

Time to Open

We estimate that the length of time between signing of the Franchise Agreement or the first payment of consideration for the franchise and the start of operation is about 30 to 90 days. If we cannot agree on a mutually acceptable site for your Franchised Business within the Protected Territory within 90 days of the signing of the Franchise Agreement, we may terminate the Franchise Agreement (Franchise Agreement Section 13.3.3). If you do not open the Franchised Business within 90 days from the Effective Date of the Franchise Agreement, we may terminate the Franchise Agreement (Franchise Agreement Sections 6.2 and 13.3.3). Factors that may impact your ability to open within that time period include obtaining any required licenses or permits, zoning, and other factors. We will grant reasonable extensions of time if the delay in opening is due to factors beyond your reasonable control.

Assistance After Opening

During your operation of your franchise, we will provide you with the following assistance:

1. We will provide reasonable consultation and advice in response to your inquiries about specific administrative and operating issues. You are solely responsible for the day-to-day operation of the Franchised Business. We may decide how best to communicate such consultation and advice to you, whether by telephone, in writing, electronically, or in person. The method we choose may be different than the methods we use for other franchisees. (Franchise Agreement Sections 3.2.1).

2. We will administer the Brand Development Fund and approve advertising that you create for your local use (Franchise Agreement Sections 3.2.2).

3. We will make goods and services available to you either directly or through approved suppliers (Franchise Agreement Sections 3.2.3).

4. We will periodically revise the Brand Standards Manual to incorporate new developments and changes in the Green Home Solutions System and provide you with a hard copy or electronic copy of all updates (Franchise Agreement Sections 3.2.4).

5. We may hold statewide, regional, or national conferences, conventions, and meetings to discuss promotional techniques, performance standards, advertising programs and general topics. You are required to attend those conferences, conventions, and meetings. We may charge a fee for the Annual Convention; you must pay for all of your travel and lodging expenses for these conferences, conventions and meetings (Franchise Agreement Section 3.2.5; 6.18).

6. We will provide general advisory assistance and field support as we deem helpful to you, in our discretion, in the ongoing operation, advertising and promotion of your Franchised Business (Franchise Agreement Section 3.2.6).

7. We will conduct periodic inspections of your Franchised Business and periodic evaluation of the services you render (Franchise Agreement Section 3.2.7).

8. We will provide you with access to advertising and promotional items and materials that we develop for promotion of the Green Home Solutions System. We are not, however, required to develop any advertising or promotional items or materials. You must purchase the advertising materials if we so direct and if you desire to use them, including all costs of shipping (Franchise Agreement Section 3.2.8).

9. We will use our efforts to maintain high standards of quality, appearance and professionalism and service of your franchise (Franchise Agreement Section 3.2.9).

10. We will provide certification programs on new products and services that we may make available to you to offer at the Franchised Business (Franchise Agreement Section 3.2.10).

11. We will, at your request, examine information or samples you provide about products or services that we have not approved but that you would like to offer from your Franchise (Franchise Agreement Section 3.2.11). See Item 8 for more information on supplier and product approval.

12. We will provide additional optional instruction if available on an as-needed basis for an additional fee plus travel, room, and board expenses for each certification facilitator. If additional certification training is required onsite at your location, an additional fee will apply plus travel, room and board expenses for each certification facilitator. (Franchise Agreement Section 3.2.12)

13. We do not have any obligation to assist you in establishing prices, such as setting the minimum and/or maximum prices at which you must sell products and services.

In some geographic regions certain of our obligations may be performed by an Area Representative.

Computer System:

You must obtain and maintain at least one Windows based laptop with a wireless connection with the capacity to connect to the internet, process customer payments, and play videos and at least 1 tablet or iPad per Service Vehicle or salesperson. You may purchase these items from any supplier. We anticipate the cost of the required computer system to be between \$1,000 and \$3,000.

You must install on your computer system and use the most recent version of Microsoft Office Suite Professional software, approved accounting software such as QuickBooks, and Adobe Reader. You may purchase this software from any supplier. You must obtain upgrades and/or updates of the software no more than one time per calendar year. You also must subscribe to our provided CRM and POS system through our approved POS system. This will allow you to prepare all standard paperwork and provides the ability to accept mobile credit card payments. You will use this system to track all your transactions. You must generate and submit to us reports, which we prescribe from any software (Franchise Agreement Section 6.8.7). You must use the required software to optimally run your business. We have the right to modify our software requirements, without limitation, at any time and any modification may require you to obtain and maintain new or additional software, all at your sole expense.

You must obtain independent software and support for each of the computer hardware and software requirements and recommendations listed. You must maintain an approved virus detection and cleaning software. We recommend that you use a firewall or other security measure to protect the data of your Franchise and the overall system. If you are hacked, or a virus is transmitted to the system, certain fees may apply (Franchise Agreement Section 6.8.7).

We reserve the right to change or to require you to upgrade or update the Computer System at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs (Franchise Agreement Section 6.8.7). We are not required to provide ongoing maintenance, repairs, upgrades, or updates to your Computer System. We anticipate the annual cost for you to maintain, repair or update the Computer System will be between \$100 and \$500. We have independent, unlimited access to the information generated by the Computer System. We also have the right to use that information for the benefit of our franchise system in any manner we choose. We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing any software license agreement or similar document that we

or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities concerning, the software or technology. We or our affiliates may charge you a monthly or other fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during the franchise term. We currently require you to license your POS/CRM/Mobile payments software(s) from us and we reserve the right to require other software purchases in the future.

Advertising

Opening Advertising and Local Advertising

You must spend at least \$10,000 on advertising and promoting your Franchised Business for the first six (6) months after you sign the Franchise Agreement. Thereafter, you must spend a reasonable amount to promote the Franchised Business in the Protected Territory. As of the date of this Disclosure Document, we use a range of 25% to 510% of Gross Revenue as a suggested metric for determining a reasonable amount for local advertising in your Protected Territory. This percentage range does not include the Brand Development Fund contribution and costs associated with website management. (Franchise Agreement Section 8.3).

Advertising Cooperatives

There currently is no Advertising Cooperative in place for the franchise system, nor do we have the authority to form an Advertising Cooperative or to require you to contribute to or participate in an Advertising Cooperative.

We have a Product Steering and a Brand Marketing Committee that participates in the planning and oversight of the products and marketing/advertising efforts designed for the growth of the Green Home Solutions brand. We select the committee members which include, at minimum, 5 franchisees and 3 of our representatives. The committee meets regularly and provides a stabilizing influence so that organizational concepts and directions are established and maintained with a visionary view.

Other than the Product Steering and the Brand Marketing Committee, we do not have a franchise advisory council that advises us on other policies.

Internet Activities

We will establish and maintain a website that provides information about the System and the products and services franchisees offer, and we have sole discretion and control over it. We also have the sole right to create interior pages on our website(s) that contain information about your business and other franchised and company owned locations.

You may not establish or maintain a separate website, splash page or other presence on the Internet, unless we give you permission to do so. You will be provided a single URL (landing page) that is an interior page of our website (s). You will be permitted to change or modify content of selected areas of this landing page with our prior approval. Currently, there is an approved vendor for this service. The vendor can assist you with setting up your web presence, and advertising on the internet. We also maintain a relationship with a vendor that assists us in helping you to publish content to social media sites. You may not establish a separate website presence through any internet or social networking site in connection with the operation of your Business, including, Facebook, LinkedIn, TikTok, Pinterest, Google Business Profile (Google My Business), Twitter, Instagram, Yelp, YouTube or any other social sharing or social networking platform, that uses any variation of the Marks or references the System unless we approve of the activity. In every instance that you can publish or create content on the internet, we must have admin rights over the pages and content so that we can monitor and moderate the content. We will own the pages, marks, and assets associated with the accounts and you will be allowed to operate and post content to those pages as an administrator.

Brand Development Fund

We require you to contribute a specified amount (the “Brand Development Fund Fee”) to a Brand Development Fund. The Brand Development Fund Fee is payable by the 5th day of each month. The amount that you must contribute to the Brand Development Fund for each franchisee defined unit of 100,000 population is as follows: you ~~must~~may have to pay up to ~~4~~2% of your monthly Gross Revenue, on your combined defined units (Franchise Agreement, Section 8.1). Currently the Brand Development Fund Fee is 1.25% of your monthly Gross Revenue.

We will direct all programs that the Brand Development Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Brand Development Fund will pay for preparing and producing local, regional or national advertisements, video, audio and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, (including, without limitation, using in-house or outside national or regional advertising, promotion and marketing agencies and other advisors to provide assistance); and supporting public relations, market research, system-wide marketing tools and other advertising, promotion and marketing activities. The Brand Development Fund periodically will give you samples of advertising, marketing and promotional formats and materials and we may require you to use a specific vendor to have these produced at a cost to you, plus related shipping and handling charges.

We will account for the Brand Development Fund separately from our other funds (but we are not required to maintain a separate account for the Fund) and will not use the Brand Development Fund for any of our general operating expenses, except to compensate the reasonable salaries and administrative costs of the Fund), travel expenses and overhead we incur in administering the Brand Development Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for Brand Development Fund contributions. The Brand Development Fund is not our asset. The Brand Development Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing, or administering the Brand Development Fund or any other reason. The Brand Development Fund may spend in any fiscal year more or less than the total Brand Development Fund contributions in that year; borrow from us or others to cover deficits or invest any surplus for future use. We will use all interest earned on Brand Development Fund contributions to pay costs before using the Brand Development Fund's other assets. We will prepare an annual, unaudited statement of Brand Development Fund collections and expenses and give you the statement on written request. We may incorporate the Brand Development Fund or operate it through a separate entity whenever we deem appropriate. During the last fiscal year, ~~2022~~2023, funds in the Brand Development Fund were spent ~~by our predecessor~~ as follows: ~~47~~14% on social media ~~and~~; 8% on brand development; ~~20~~14% on call center/phone solutions; ~~20~~27% on website development; 17% on franchisee support; 7% on vendor relations and 13% on administrative expenses. Any remaining balance at fiscal year-end is carried over to the next fiscal year.

We intend the Brand Development Fund to maximize recognition of the Marks and patronage of ~~Green Home Solutions businesses~~Franchised Businesses. Although we will try to use the Brand Development Fund to develop advertising and marketing materials and marketing support programs, and to place advertising and marketing, that will benefit all Businesses in the System, we need not ensure that Brand Development Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Brand Development Fund contributions by ~~Green Home Solutions businesses~~Franchised Businesses operating in that geographic area or that any ~~Green Home Solutions business~~Franchised Business will benefit directly or in proportion to its Brand Development Fund contribution from the development or placement of advertising and marketing materials. We may forgive, waive, settle, and compromise all claims by or against the Brand Development Fund. We assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Development Fund.

We may at any time defer or reduce the Brand Development Fund contributions ~~of a Green Home Solutions business~~ and, on prior written notice, reduce or suspend Brand Development Fund contributions

and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Development Fund. On written notice to you, we may increase, decrease, or otherwise modify the Brand Development Fund Fee. If we terminate the Brand Development Fund, we will either (i) distribute all unspent monies to all Green Home Solutions businesses (whether franchised or operated by us or our affiliates) in proportion to their respective Brand Development Fund contributions during the preceding 12 month period, or (ii) use all unspent monies for the remaining activities of the Brand Development Fund and any related administrative costs until all monies have been exhausted.

We are not obligated to spend the Brand Development Fund Fee for placement of advertising in your Protected Territory, or to ensure that your Franchise Business benefits directly or pro-rata from advertising fee expenditures. We will not use Brand Development Fund contributions for advertising that is principally a solicitation for the sale of franchises except that in certain ads with available space, we may insert certain language as to the availability of franchise opportunities. For instance, a portion of the Brand Development Fund Fee may be used to create and maintain one or more pages on our website devoted to advertising franchise opportunities and identifying and screening inquiries submitted by franchise candidates.

Our Control Over Your Advertising

To promote a standard and professional marketing approach to the public, you may only use advertising and marketing materials that we have provided to you or that we have approved in advance. All advertising materials that we provide to you to promote your Franchised Business and the System generally are our property and we claim copyright protection over them (Franchise Agreement Section 8.4).

We have the right to approve any advertising and marketing materials that you propose to use and the media in which you propose to advertise. You must submit to us at least 10 days in advance, copies of any advertising and marketing materials that you propose to use and any proposal describing the media in which you propose to advertise, providing sufficient detail to permit us to evaluate it. We have 10 days to approve or disapprove the use of the proposed materials and the media you propose. If we have not approved the use of the materials or proposal within 10 days, they are deemed not approved (Franchise Agreement Section 8.4).

Certification Program

You (or your operating principal if you are an entity) must attend and successfully complete our Initial Certification Program to our satisfaction before beginning operation of your Green Home Solutions Franchised Business (Franchise Agreement Section 6.5). We will provide you and up to one additional representative you designate with the Initial Certification Program tuition-free.

The Initial Certification Program consists of 3 phases:

- Phase 1: Classroom Certification, Executive Certification, Technical Certification, and Sales and Marketing Certification
- Phase 2: Designated Location Certification
- Phase 3: Online Certifications

The certification programs are conducted at a facility that we designate or virtually. If you are a business entity, each franchise owner must attend and successfully complete all phases of the Initial Certification Program. Certification programs may be conducted remotely or through a virtual classroom at our discretion.

Any new or replacement manager must attend and complete the Certification Program to our satisfaction. We also conduct corporate and on-site additional certification on an as-needed basis (Franchise Agreement Section 6.5).

We will provide you and your manager(s), a total of up to 2 people, with up to 4 days of about 8 hours per day instruction on the day-to-day management and operation of a ~~Green Home Solutions business~~ Franchised Business. We also may require additional certification programs at your expense to be completed if certain performance criteria are not being met. Our Initial Certification Program is mandatory for you (if an individual, or if an entity, its controlling member or shareholder), or your manager.

You must pay for all the costs of travel incurred during your initial certification. You must pay for all additional certification program fees plus all the costs of travel, lodging and meals incurred during any additional certification if you receive certification elsewhere. You must pay for all our costs of travel, lodging, meals and expenses incurred, plus any certification program fees, if we train you at your location (See Item 6, Franchise Agreement Section 6.5).

Our Certification Program is conducted by our employees and independent contractors. We may also use outside certification facilitators as we deem appropriate. The initial certification will include the following topics:

TRAINING PROGRAM

Phase 1: Classroom Certification (6 Days)			
Subject: Executive Certification	Hours in Classroom	Hours in Field Training	Location
Introduction to Green Home Solutions/Company Vision	2		All classroom instruction will be conducted at either our corporate headquarters or near a major city of our choosing. Online or virtual classroom may be substituted at our discretion.
Mold Science & Remediation	5		
Mold Pre-Testing & Post-Testing	4		
Safety Protocols & PPE	2.5		
Understanding Lab Results	2		
Mold Inspection & Interpretation	6		
Crawl Space Encapsulation	3		
Duct Cleaning	1		
Odor Elimination	5		
Disinfection Program	1		
Water Damage Restoration	1		
Marketing Support and Best Practices	4		
Total	36.5	0	

Phase 2: Designated Certification Location: (5 Days)			
Subject	Hours in Classroom	Hours in Field Training	Location
Mold Remediation		6	All designated Certification will be performed at assigned Green Home Solutions field Certification facilitator's franchise facility or at approved location Operation Manager designates
Mold Inspection		5	
Pre-Testing/Post Testing		3	
Bids & Site Surveys		4	
Safety Protocols & PPE		2	
Combining Services		2	
Sales Process		6	
Best Practices Protocol		2	
Marketing		3	
Networking		3	
Operational Certification		4	
TOTAL	0	40	

Phase 3: Online Certification (4 Days)			
ACAC Certification			
Subject	Hours in Classroom	Hours in Field Training	Location
ACAC Certification	30	0	Online
TOTAL	30	Hours	

The Initial Certification Program will be conducted by our corporate certification facilitators, and as needed, third party training. The certification facilitators may include the following: this list is subject to change as requirements dictate:

David Bloom: is our Chief Science Officer. David is a graduate of the University of Connecticut, with significant post graduate work in microbiology and building sciences. He has lectured throughout the United States on indoor air quality issues and remediation. David is an ACAC (American Council for Accredited Certifications) Certified Mold Investigator, and an active member of AOAC International (Association of Analytical Communities), ACGIH (American Conference of Governmental Industrial

Hygienists), and IAQA (Indoor Air Quality Association). As President of ~~nzymSys~~NzymSys, Inc. since 2008, he has been instrumental in the development of product formulations and processes for microbial removal, biogas desulfurization, H₂S emission reduction at landfill sites, and odor neutralization at various trash to energy facilities and food processing plants. David has developed Green Home Solutions protocols and procedures for a novel method of mold and bacteria remediation and provides technical support for our franchisees.

Dennis Oligino: is our National Technical Advisor. Dennis has had diverse career following his graduation from the University of Bridgeport with a B.S. degree in business administration and a minor in finance. He has worked in manufacturing and corporate settings before switching to the financial services sector. In that position, he was a Registered Representative, and held Series 7 and 63 licenses. Most recently, Dennis served as Director of Business Development for a mold remediation firm with which he had a 12-year association. He is certified by the American Council for Accredited Certification as a Council-certified Indoor Environmental Consultant.

Designated Certification facilitators may include the following (list is subject to change as requirements dictate):

Tom Monaghan: Mr. Monaghan has been our Chief Development Officer since October 2023 and has more than 30 years' experience in franchising generally.

Dave Robles: Mr. Robles has been a Green Homes Solutions Franchisee since 2015 and has previously been a corporate franchise certification facilitator for Wireless Zone Franchisees for over 7 years.

Brian Brady: Mr. Brady has been a Green Home Solutions multi-unit owner since September 2015.

Charles Clark: Mr. Clark has been a Green Home Solutions multi-unit Owner since January 2019. He has been an Area Representative since June 2020.

David Warren: Mr. Warren has been a Green Home Solutions Area Representative since January 1, 2023.

~~*Glen Snyder:* Mr. Snyder has been the Chief Development Officer for Green Home Solutions since May 2016. He provides training in Franchise Sales and Development with over 20 years in the franchising industry.~~

Andy Brady: Mr. Brady has been a Green Home Solutions multi-unit owner since October 2019. He has been an Area Representative since December 2022.

Bryan Boling: Mr. Boling has been working in the mold remediation and assessment field since 2011.

The Brand Standards Manual will be used as the principal instructional material. We anticipate that we will conduct the Initial Certification Program on a bi-monthly basis, or at any other intervals as the number of trainees require.

You are responsible for making sure that your personnel are properly trained to our standards and requirements. Failure to complete the Initial Certification Program to our satisfaction may in our discretion, result in: (i) the termination of the Franchise Agreement; or (ii) the requirement for you to designate a replacement Manager within 30 days, who must successfully complete the Initial Certification Program to our satisfaction.

Refer to the Brand Standards Manual for additional mandatory certification requirements.

ITEM 12 **TERRITORY**

You will operate your ~~Green Home Solutions business~~ Franchised Business from the location that we have approved (the “Approved Location”). If you have secured a site for the Franchised Business at the time you sign the Franchise Agreement, you will establish the Business at that location. If you have not yet secured a site for the Business at the time you sign the Franchise Agreement, the location of the Business will be documented on Schedule A to the Franchise Agreement when the Approved Location has been determined. Relocation of your Business requires our approval, which we will not unreasonably withhold. Our approval criteria for any proposed replacement office will be the same as for initial location approval.

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

We assign you a specific geographic area (the “Protected Territory”) within which we agree not to (i) open Franchisor or affiliate owned Businesses using the Marks, or (ii) authorize any other party to open a Business using the Marks if you are not in default under your Franchise Agreement. The size of your Protected Territory will be defined by municipal or county boundaries, or by contiguous zip codes. The minimum size of a Green Home Solutions franchise Territory will be a population of about 100,000 people. We determine the Protected Territory and the population located within the Protected Territory based on information derived from the latest U.S. Census.

Within your Protected Territory, we will have the right to place reasonable restrictions on the customers you may serve within your Protected Territory, based on our reasonable assessment of your ability to provide services to those customers. Any customer restrictions will be reflected in an amendment to your Franchise Agreement. For example, and not by way of limitation, without our express approval, you may not provide mold cleaning services to (i) businesses that occupy more than 20,000 square feet of space, have more than 200 employees at 1 location; (ii) schools; or (iii) hospitals within your Protected Territory.

You may not provide services or solicit business outside your Protected Territory unless we authorize and approve it in writing. When permission to solicit business outside your Protected Territory is granted, the following conditions apply: (i) solicitation is limited to that Territory not owned by another Franchisee under a Franchise Agreement and not serviced by a company or affiliate owned Green Home Solutions business; and (ii) when the Protected Territory is later granted to another Franchisee, you may complete any jobs in progress with existing clients, but may not provide services to any new clients in the area or begin new jobs for any existing client in the area and, on our request, turnover your list of clients located in that Territory to the Franchisee to which that Protected Territory has been granted. If you provide services, market, or solicit business outside of your Protected Territory, without our written approval, we have the right to terminate your Franchise Agreement. You may not use any other channel of distribution for approved products or services, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Protected Territory.

We retain all rights that are not expressly granted to you under the Franchise Agreement. The license granted to you under the Franchise Agreement does not include (i) any right to offer any product or service via e-commerce; (ii) any right to establish an independent website or to establish a URL incorporating any of the Marks or variations of the Marks; or (iii) any right to distribute, market, or implement our products and services in any channel of distribution or other manner not specifically authorized in the Franchise Agreement. Further, we reserve, among other things, on any terms we deem advisable, without compensation to you, and without granting you any other rights, the right to:

(1) To develop and establish other franchise or licensed systems for the same or similar products or services using the same or similar Marks, or any other dissimilar Marks now or later designated as part of the System and to grant franchises and/or licenses thereto without providing you any right therein. We do not have any current plans to do this.

(2) operate, and grant others the right to operate ~~Green Home Solutions businesses~~Franchised Businesses located anywhere outside your Protected Territory under any terms we deem appropriate and regardless of proximity to your business location.

(3) use alternate channels of distribution such as direct mail, catalogue sales, telemarketing, and the internet both within and outside of your Protected Territory to sell or distribute products under trademarks that are the same as or different than the Marks that you will use under the Franchise Agreement.

(4) acquire the assets or ownership interests of one or more businesses providing services similar to those provided by ~~Green Home Solutions businesses~~Franchised Businesses, and franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the Franchisees or licensees of these businesses) are located or operating (including in your Protected Territory).

(5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided by ~~Green Home Solutions businesses~~Franchised Businesses, even if that business operates, franchises and/or licenses competitive businesses in your Protected Territory.

(6) periodically designate in the Brand Standards Manual or elsewhere, National Accounts. We will offer you the opportunity to service those accounts located within your Protected Territory, or if the location of the account is not within the Protected Territory of a Franchisee, then we may, in our discretion, offer the nearest Franchisee the opportunity to service the National Account. If you agree to service the account, it will be on the terms that we have negotiated. You are under no obligation to agree to provide services to a National Account. If you do not agree to provide services to a National Account then we may offer another Franchisee, or company or affiliate-owned unit the right to provide services to the National Account in your Protected Territory, without compensation to you.

(7) as we deem necessary, manage the resolution of any customer complaint, concern or service issue you cause. We reserve the right to require you to take all actions deemed necessary including potential monetary reparations to customers as well as assume all costs we incur in the resolution process.

We are not required to pay you if we exercise any of the rights stated above inside your Protected Territory.

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises. We will approve the relocation of the franchise if the proposed new location is within your Protected Territory. If you wish to acquire additional franchises, you must be in good standing. If you purchase a Territory that is larger than the minimum Protected Territory, you may be required to purchase a larger Initial Equipment and Inventory Package and you may be required to pay a higher Brand Development Fund Fee.

On renewal, your Protected Territory will not be modified without your consent.

Currently, there are no minimum product purchase requirements. Additional services may be offered from time to time, at our discretion. If you choose to offer any additional services, you and we will amend your Franchise Agreement to adjust the minimum royalty and/or purchase requirements. If you fail



to meet any minimum purchase requirements, we may send you a notice of default, after which you will have 30 days to cure the default, otherwise we may terminate your Franchise Agreement.

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ITEM 13 **TRADEMARKS**

We grant you the right to operate your Franchised Business under the service mark “GREEN HOME SOLUTIONS” and to use other Marks we designate under the Green Home Solutions System. We will grant you a license to use the Marks we designate, and you will use them in compliance with the requirements of the Green Home Solutions System and in accordance with the requirements outlined below.

We own the following Marks, which are registered with the United States Patent and Trademark Office (“USPTO”):

<u>MARK</u>	<u>REGISTRATION DATE</u>	<u>REGISTRATION NUMBER</u>	<u>REGISTRY</u>
GREEN HOME SOLUTIONS	May 26, 2020	6,061,864	Principal
GREEN HOME SOLUTIONS	July 15, 2014	4,570,179	Supplemental
WE MAKE AIR BETTER	January 29, 2019	5,667,370	Principal
WE MAKE AIR BETTER	April 23, 2019	5,734,771	Principal
	February 12, 2019	5,675,658	Principal
	January 16, 2018	5,377,612	Principal

All required affidavits have been filed with the USPTO and Mark 4,570,179 has been renewed.

See Item 1 for a description of an agreement that we have entered into that limits our rights to use the Marks. With the exception of the MOA, there are no agreements currently in effect that significantly limit our right to use or license the use of the Marks in any manner material to you.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material Federal or state court litigation, involving the Marks that are relevant to their use by our franchisees. There are no decided infringement, cancellation or opposition proceedings in which we unsuccessfully fought to prevent registration of a trademark to protect the Marks.

We do not know of any prior rights or infringing uses that could materially affect your use of the Marks.

We place certain controls on your use of the Marks and the use of any other marks we may designate. You have no right, title, or interest in or to the System, including the Marks, or the associated goodwill, except the limited revocable non-exclusive license to use the System as shown in the Franchise Agreement. You must use and display the Marks only in relation to the operation of the Franchised Business and as we approve or direct unless we authorize you, in writing, to use the Marks otherwise. You must apply the “®” symbol to all registered marks, the “TM” or “SM” symbols to all non-registered trademarks and service marks, respectively, and the “©” symbol to all copyrighted material, as we direct. Your use of the Marks,

and all goodwill related to your use of them, inures to our benefit. You must sign all documents we deem necessary to protect the Marks.

Unless we expressly authorize you to do so in writing, you will not: (i) use or register any of the Marks, any part of any of the Marks, or anything confusingly similar to any of the Marks, as part of the name of the Franchised Business, except that you will file a Fictitious Name registration of a name we approve, with the appropriate county or state authority that includes the Mark “GREEN HOME SOLUTIONS” and will operate your Franchised Business using the Mark “GREEN HOME SOLUTIONS” as the principal trade name of the Franchised Business; (ii) use or register any of the Marks, or any part of any of the Marks, or anything confusingly similar to any of the Marks, as part of any internet domain name or similar name; (iii) use any trademark, service mark, or other identifying characteristic in the operation of your Franchised Business, other than the Marks; (iv) offer or sell unauthorized services or products under the Marks; (v) use any of the Marks in any manner that may injure or disparage us or our reputation; or (vi) take any other action that would harm or jeopardize any of the Marks, or our ownership of any of the Marks, in any way.

You must: (i) identify yourself as an independent franchisee of ours in all public records that allow such identification; (ii) place on your business forms and checks the legend “An Independent Franchisee of Green Home Solutions,” or similar language we specify; and (iii) post in a public location in your office, a sign stating that:

This Green Home Solutions office is independently owned and operated by [your full name] under a Franchise Agreement with OnAxis Franchising Group, LLC [our then current address], [our then current telephone number].

You must notify us promptly when you learn about an infringement of or challenge to your use of any of the Marks. We have the absolute right to take the action we think appropriate. You must not, under any circumstances, start any legal action relating to the Marks without first obtaining our written consent to do so.

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

We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we determine that you have used the Marks in accordance with the Franchise Agreement, we will pay the cost of defending the action, including the cost of any judgment or settlement. If we determine that you have not used the Marks in accordance with the Franchise Agreement, you must pay for the defense or to reimburse us for the costs we incurred in providing the defense, including the cost of any judgment or settlement. In any litigation relating to your use of the Marks, you must sign all documents to assist us, as we deem necessary, to carry out the defense or prosecution including, without limitation, becoming a nominal party to any legal action. We have the right to control any litigation or proceedings involving the Marks. Except to the extent that litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in performing these acts.

On expiration or termination of the Franchise Agreement, all of your rights to use the Marks terminate automatically.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or pending patent applications that are material to the Franchised Business.

We claim common law rights and copyright protection in the System as well as a number of other items you will use in the operation of your Franchised Business, including our Confidential Brand Standards Manual, and certain other materials and information related to the Green Home Solutions System, including our marketing and operations materials, our methods for operating your Franchised Business, and our specifications, marketing techniques, advertising programs, advertising strategies, expansion plans and other information we create or use. You may use these items only as we specify while operating your Franchised Business (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the Copyright Office (Library of Congress), or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the System's best interests. We may control any action we choose to [bringtake](#), even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Brand Standards Manual and other materials contain confidential and proprietary information, some of which constitutes trade secrets under applicable law. This information includes, but is not limited to, certification and operations materials, know-how, trade secrets, methods, processes, designs, plans, reports, customer lists, formats, specifications, systems, standards, sales marketing techniques, ideas, inventions, knowledge, and experience used in developing the Green Home Solutions System. You may not use or disclose our confidential and proprietary information in an unauthorized manner. You must take reasonable steps to prevent unauthorized disclosure to others and use non-disclosure and non-competition agreements with those having access. We have approval rights over the form of agreement that you use and will be a third-party beneficiary of that agreement with independent enforcement rights.

All ideas, concepts, techniques, or materials concerning a ~~Green Home Solutions business~~ [Franchised Business](#), whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" or with respect to any other Intellectual Property, you must assign ownership and all related rights to us and must take whatever action (including signing assignment or other documents) we request to show and/or perfect our ownership and/or help us obtain intellectual property rights.

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

Under the Franchise Agreement, you, or your principal owner, are not obligated (although we do recommend) to participate in the direct operation of your Franchised Business, however, you are at all times responsible for the operations of the Business. Your Franchised Business must at all times be managed by a designated manager (the "Manager"). The Manager is not required to own an equity interest in the franchise entity. Your designated Manager must dedicate their full time and best efforts to the management and operation of the Franchised Business and must successfully complete our Initial Certification Program and all required on-going certification by demonstrating to us appropriate levels of competence in the subject matters taught in the certification program.

You must at all times keep us advised of the identity of your Manager. We may deal with the Manager on the day-to-day operations of, and reporting requirements for the Business. You must hire all personnel for your Business and are solely responsible for the terms of their work, training, compensation, management, and oversight. We require you to obtain confidentiality and non-compete agreements, on a form that we have approved, from all of your personnel that have access to our Confidential Information, including you and your Manager.

Also, you or a principal (if you are a partnership, limited liability company or corporation) must oversee the maintenance of all accounting records, submit all weekly and/or monthly reports and balance sheets and income statements required under your Franchise Agreement, and submit to us copies of your annual federal, state and city income tax returns that relate to the operation of your Franchise.

If you are a business entity, we require that each of your owners, partners, shareholders, or members (and, if you are an individual, immediate family members and respective spouses, if any) of that entity (i) provide us with financial information that we may reasonably require, and (ii) sign our standard Guaranty and Non-Disclosure and Non-Competition Agreement. (See our Personal Guaranty of Franchisee's Owners that is attached as Schedule D to the Franchise Agreement and our Personal Covenants and Confidentiality Agreement that are attached as Schedule E and Schedule F, respectively, to the Franchise Agreement).

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

You must offer for sale and sell only the services and goods that we specify in the Brand Standards Manual or in any other written communication to you. You are not required to offer every service and good that we make available to our franchisees. You may not offer any goods or services that we have not specifically approved and must cease offering any goods or services that become unapproved or unauthorized. If you violate this policy, we can terminate your Franchise Agreement. To ensure uniform quality and identity of our franchises, only goods and services that follow our approved rules and regulations are permitted. You also may not offer or promote any other business while meeting with clients of your Franchised Business.

You must offer your customers a limited one-year warranty for mold cleaning services that you perform. The warranty must provide for the re-treatment of the remediated areas in an amount up to the original price of the treatment. You are responsible for ensuring that the warranty complies with the law of the state, city, or county in which the services were performed.

We have the right to place reasonable restrictions on the customers you may serve within your Protected Territory, based on our reasonable assessment of your ability to provide services to those customers. Any customer restrictions will be reflected in an amendment to your Franchise Agreement. For example, without our express approval, you may not provide mold cleaning services to (i) businesses that occupy more than 20,000 square feet of space, have more than 200 employees at one location; (ii) marinas; (iii) recreational vehicle dealerships; (iv) schools; or (v) hospitals within your Protected Territory.

We may modify the System, including adding types of services that you must offer at our sole discretion and will provide you with reasonable notice of any changes. You must add to, delete from, or modify the services you offer as we deem appropriate. There is no limit to the number or the type of changes we may make.

You may not provide any services that, in our sole discretion, may present a conflict of interest with any GreenHome Solutions franchise, including all ownership and/or operation of any type of similar service we offer.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the Agreements attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	2.1	10 years.
b. Renewal or extension of the term	2.2	If we are still franchising and you are not in default, you may renew your franchise for additional 10-year terms. On our grant of a renewal franchise, you will sign our then current Franchise Agreement, which may be materially different.
c. Requirements for you to renew or extend	2.2	Give us timely notice; be in good standing under your current Agreement; fulfilled all monetary obligations to us; have been in substantial compliance with the Franchise Agreement for its initial and any renewal terms and are in compliance at the time you request to renew; sign a release of claims against us; pay the renewal fee; sign then-current Franchise Agreement which may be materially different from the original Franchise Agreement; and meet all then-current certification requirements.
d. Termination by you	Not Applicable	You have no right to terminate, subject to state law.
e. Termination by us without cause	13.8	We have the right to terminate without cause following your completion of the Initial Certification Program but before your beginning operation of the Franchised Business. We must refund the Initial Franchise Fee. We have no other right to terminate without cause.
f. Termination by us with cause	13	We can only terminate the Franchise Agreement for good cause, subject to our right to terminate before beginning of operation.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined – curable defaults	13.3; 13.4	<p>We have the right to terminate the Franchise Agreement after providing you a 15 day right to cure if: (i) you fail to pay any monies you owe to us or our affiliates; (ii) any audit reveals that you have understated your Gross Revenue, royalties, or required advertising expenditures, by more than 2%, or if you have failed to make all reports we require in a timely manner for any 2 reporting periods in any 12 month period; (iii) you fail to open the Franchised Business within 4 months of the date you sign the Franchise Agreement; (iv) you fail to maintain our quality control standards; (v) you fail to obtain or maintain any licenses, certifications, or permits necessary for the operation of the Business; (vi) you offer any unapproved products or services in your Franchised Business; (vii) you order or purchase supplies from an unapproved supplier.</p> <p>We have the right to terminate the Franchise Agreement after providing you a 30-day cure period (or as applicable by Federal and State Law) if you fail to perform or comply with any one or more of the terms of the Franchise Agreement.</p>

Provision	Section in Franchise Agreement	Summary
h. “Cause” defined – non-curable defaults	13.1; 13.2	<p>The Franchise Agreement automatically terminates without notice or an opportunity to cure if: (i) you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated insolvent, file or acquiesce in the filing of a petition seeking reorganization or similar arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for your Franchised Business; (ii) proceedings are begun to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and the 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; (iii) you purport to sell, transfer, or otherwise dispose of your interest in the Franchised Business without our written approval.</p> <p>We have the right to terminate the Franchise Agreement with notice but without permitting you the opportunity to cure if (i) you take part in any criminal acts or other misconduct that negatively impacts the Marks, the System, or your operation of the Franchised Business; (ii) you commit fraud in the operation of the Franchised Business; (iii) you make any misrepresentations in your franchise application; (iv) you fail to complete our initial certification program; (v) you receive 2 or more written notices of default within any 12 month period; (vi) you commit any fraud, criminal acts or other misconduct or make any misrepresentation to us relating to any agreement with us or our affiliates; (vii) you misuse the Marks or Confidential Information; (viii) you violate the in-term restrictive covenants of the Franchise Agreement; (ix) you abandon the Franchised Business; (x) you fail to comply with any governmental notice of non-compliance with any law or regulation within 15 days of the notice.</p>
i. Your obligations on termination/non-renewal	14.1; 14.2	<p>Your obligations include: cease operation of the Franchised Business; pay all sums due to us; return the Brand Standards Manual and all trade secret and confidential materials; cancel all trade-name registrations; provide us with information on your employees, clients, etc.; cease use of our methods, procedures, technology and techniques; cease all use of the Marks; remove all trade dress and other indications that identify you as a former Franchisee of ours. You and all covered persons must comply with the post-term covenant not to compete. If termination is the result of your default, you must pay our reasonable attorney’s fees and costs.</p>
j. Assignment of contract by us	12.1	No restriction on our right to assign.

Provision	Section in Franchise Agreement	Summary
k. "Transfer" by you - defined	12.2	Includes the direct or indirect sale, assignment, transfer, conveyance, gift, pledge, mortgage or otherwise encumbering any interest in the Franchise Agreement, the Business or its assets, or any ownership change in you or your owners.
l. Our approval of transfer by you	12.2	We have the right to approve all transfers in writing and will not unreasonably withhold our approval.
m. Condition for our approval of transfer	12.4	We will approve a proposed transfer if: (i) all of your accrued monetary obligations to us have been paid; (ii) all existing defaults under the Franchise Agreement have been cured; (iii) you sign a general release in favor of us and our affiliates; (iv) you provide us a copy of the signed Purchase Agreement; (v) the proposed Transferee meets our qualifications; (vi) the Transferee signs our then-current Franchise Agreement; (vii) you or the Transferee pays us the transfer fee; (viii) the Transferee successfully completes our certification program; (ix) you comply with the post-term provisions of the Franchise Agreement; (x) the Transferee obtains all necessary licenses and permits required to operate the Franchised Business; (xi) the transfer is made in compliance with all applicable laws; (xii) the purchase price and terms of the proposed transfer are not so burdensome to the prospective Transferee as to impair or materially threaten its future operation of the Franchised Business; (xiii) our approval of the transfer is not a waiver of any claims we have against the Transferor; (xiv) we have the right to disclose to any prospective Transferee the revenue reports and other financial information concerning you and your Business as you have supplied to us; and (xv) we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise.
n. Our right of first refusal to acquire your business	12.10	We can match any purchase of franchise.
o. Our option to purchase your business	Not Applicable	None.
p. Death or disability of you	12.7	On your death or disability, your representative must transfer your interest to an approved party within 6 months. This transfer is subject to the same terms as any other transfer; no transfer fee if transferred to immediate family member.
q. Non-competition covenants during the term of the franchise	11.4	No Direct or indirect involvement in a competing business. The term " Competitive Business " means any business that provides light commercial and residential mold cleaning, odor control services, or other services that you offer as part of the Franchised Business, or in any business that grants franchises or licenses to others to operate such a business other than a Franchised Business operated under a Franchise Agreement with us. You must not divert any business from your business or from us.

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	11.4	For 24 months after termination or expiration of the Franchise Agreement, you may not engage in a Competitive Business in your former Territory, within 10 miles of the border of your former Territory, or within the Protected Territory of or within 10 miles outside of the border of any other Green Home Solutions Franchisee as of the termination date (same restrictions apply after transfer)
s. Modification of the agreement	9; 20.3	The Franchise Agreement may not be modified except by a written agreement that you and we sign. We can modify or change the System Standards through changes to the Operation Manual and you are bound by those changes.
t. Integration/merger clause	24	Only terms of the Franchise Agreement are binding (subject to state law). Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we make in this Franchise Disclosure Document. Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	15	Except for certain claims, all disputes are subject to binding arbitration in State College, Pennsylvania or in the county of our principal office.
v. Choice of forum	15.7	Subject to arbitration requirements. We have the right to seek injunctive relief and you agree to be subject to the exclusive jurisdiction of the Centre County, Pennsylvania Courts, or the U.S. District Court for the Middle District of Pennsylvania (subject to state law).
w. Choice of law	22	Except for the Federal Arbitration Act and other federal law, Pennsylvania law governs (subject to state law).

A provision in your Franchise Agreement that terminates the Franchise Agreement on your bankruptcy may not be enforceable under Title 11, Businesses States Code Section 101 *et seq.*

ITEM 18 **PUBLIC FIGURES**

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

ITEM 19 **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

At the end of calendar year ~~2022~~2023, there were ~~247~~197 total units that were not company owned. Of that, ~~535~~1 Franchisee entities operating ~~494~~186 units were in continual operation and provided actual revenue earned for the entire calendar year. The Gross Revenue figures were taken from historical Gross Revenue reports submitted by our Franchisees or collected through the Point-of-Sale system as of December 31, ~~2022~~. ~~The Gross Revenue figures for January 2022 through May 2022 were provided to us by our predecessor.~~2023.

All Franchisees included in the Gross ~~Revenues~~Revenue representation did not receive any services that were not generally available to other Franchisees, and each Franchisee offered similar products and services as would generally be offered by a typical Franchisee.

Part I: Gross Revenue Data

These ~~494~~186 units had average annual Gross ~~Revenues~~Revenue of ~~\$155,650~~133,339 for ~~2022~~. ~~29~~ (~~14.9~~2023. ~~62~~ (33.3%) units had Gross ~~Revenues~~Revenue above this average, and ~~165~~ (85.1124 (66.7%) units had Gross ~~Revenues~~Revenue below this average. The median was ~~\$112,171~~98,652. The highest Gross ~~Revenues~~Revenue for a unit was ~~\$611,507~~839,139, and the highest Gross ~~Revenues~~Revenue for an entity was ~~\$2,371,102~~619,208. The lowest Gross ~~Revenues~~Revenue for a unit was ~~\$23,286~~13,012 and the lowest Gross ~~Revenues~~Revenue for an entity was ~~\$33,944~~68,997.

	Average Annual Gross Revenue	Median Annual Gross Revenue
Top 10% Entity	\$1,432,297	\$1,344,176
Top 10% Unit	\$414,076	\$346,739
Average Entity	\$491,525	\$391,649
Average Unit	\$134,773	\$98,611
Bottom 10% Entity	\$109,246	\$109,652
Bottom 10% Unit	\$14,093	\$13,191

~~At the end of calendar year 2022, there were 8 Franchisee entities operating 18.~~
Notes:

~~There are 3 units in their second full year of operation. These 18 units had average annual Gross Revenues of \$215,781 for 2022. Three units (16.7%) had Gross Revenues above this average, and 15 (83.3%) units had Gross Revenues below this average. The median was \$156,410. The highest Gross Revenues for a unit was \$447,254, and the highest Gross Revenues for an entity was \$778,878. The lowest Gross Revenues for a unit was \$47,137 and the lowest Gross Revenues for an entity was \$147,445.~~

~~Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.~~

~~The financial performance representations above do not reflect the costs of sales, operating expenses, or other expenses that must be deducted from gross revenue or gross sales figures to obtain net income or profit. You should conduct an independent investigation of the expenses you will incur in operating your franchise. Franchisees or former Franchisees, listed in the Disclosure Document, may be one source of this information. Written substantiation for the financial performance representation will be made available to you on reasonable request.~~

1. ~~Note 1: operating under the name~~ “TrueEnviro” ~~units~~ and data ~~have for these units has~~ been excluded from ~~reporting this Item 19~~, due to ~~these units operating under a different trade name and~~ operating under a Master Operator Agreement outside of the Green Home Solutions ~~operations. This represents 13 units. (See Item 13) System.~~
2. ~~Note 2:~~ Gross ~~Revenues~~ Revenue are reported at the entity level. Some Franchisees operate more than one unit under a single entity. Average unit revenue for each unit owned by a single entity is calculated as the quotient of: (a) total Gross Revenue earned by the entity, divided by (b) number of units operated by that entity. There are 16 single unit operators, 18 operators with 2 units, 10 operators with 3 units, 5 operators with 4 units, 6 operators with 5 units, 1 operator with 6 units, 2 operators with 7 units, and one operator each with 8, 9, 12 and 16 respectively.

Part II: Franchisee Entity Financial Data

The information presented in the table below was obtained from the 36 Franchisees that provided accurate data using our standard chart of accounts in response to our request for such data. These 36 franchisees are geographically diverse, and the information provided in the table below is an average of their responses. The information provided has not been audited nor has it been independently verified. To the best of our knowledge, these results are deemed to be representative of the results attained by franchisees. This data is being supplied to you for informational purposes to be used during your due diligence.

Item	Average Percentage of Gross Revenue
Gross Revenue	100.0%
Cost of Labor	26.78%
Cost of Goods Sold	13.1%
Gross Profit	60.1%
Operating Expenses	14.3%
Royalties and Brand Fund	9.3%
Marketing Expenses	8.8%
Operating Profit	27.8%

Notes:

1. “Gross Revenue” is defined as the aggregate of all monies and receipts derived from all services and products sold in the Franchised Business; all revenue derived from the operation of the Franchised Business and the exploitation of the franchise system and/or the Marks by the Franchisee and whether evidenced by cash, credit, services, property, or other means of exchange. Gross Revenue also includes the proceeds of any insurance payments intended to replace revenue as a result of the interruption of business. “Gross Revenue” does not include (a) sales taxes imposed by governmental authorities directly on sales and actually collected from customers, provided these taxes are added to the selling price, and are, in fact paid by Franchisee to the appropriate governmental authority, (b) cash refunds and credit given to customers provided the related sales have been included in Gross Revenue for which royalties were previously paid or (c) any revenue charged by subcontractors that have provided services to a Franchisee’s customers which are related to or ancillary to the Green Home Solutions services provided by Franchisee to its customers.
2. “Cost of Labor” is defined as all cost related to employees and/or contractors associated with the performance of services in the Franchised Business, which includes, but is not limited to wages, commissions, bonuses, benefits (if any), government payroll taxes, workers’ compensation, but excludes any compensation paid to the principal of the Franchised Business and any related benefits and payroll costs. The median Cost of Labor for the reporting group is 23.2%.
3. “Cost of Goods Sold” is defined as the direct costs related to all products, supplies, materials and shipping associated with the performance of the services from the Franchised Business. The median Cost of Goods Sold for the reporting group is 12.3%.
4. “Gross Profit” is defined as Gross Revenue minus the sum of Cost of Goods Sold and Cost of Labor. The median Gross Profit for the reporting group is 64.4%.
5. “Operating Expenses” are defined as including, but are not limited to, tools, equipment, office supplies, rent (if any), utilities, telephone, insurance, bank and credit card fees, computer costs, professional fees, taxes, training, vehicle expenses, etc. The median Operating Expenses for the reporting group is 19.1%.
6. “Royalties” and “Brand Marketing Fund” are as defined in Item 6 of this Disclosure Document. The median Royalties and Brand Marketing Fund for the reporting group is 9.3%.
7. “Marketing Expenses” includes any and all expenses related to direct marketing to the customers, whether residential or commercial, such as expenses for: printed materials, home shows, direct mail, all media including online, radio, TV, local networking programs, sponsorships, etc. The median Marketing Expenses for the reporting group is 8.6%.
8. “Operating Profit” is defined as Gross Profit minus the sum of Operating Expenses, Royalties and Brand Marketing Fund, and Marketing Expenses. This amount does not include interest, amortization, depreciation or taxes. The median Operating Profit for the reporting group is 27.5%.

There is no assurance you will do the same. Not all businesses incur all of the expenses listed above. This table may not contain complete information concerning operating costs. Revenues and expenses may vary. In particular, the revenues and expenses of your business will be directly affected by many factors, such as: (a) geographic location, (b) competition in your area, (c) advertising and marketing effectiveness based on market saturation, (d) your services and their pricing, (e) prices on materials and supplies, (f) whether you act as an employee of the business, (g) whether you use

subcontractors or hire employees, (h) employee salaries and benefits (if any) provided, (i) insurance costs, (j) ability to generate customers, (k) customer loyalty, (l) employment and economic conditions in the market, and (m) your business abilities and efforts.

We also recommend that you consult your financial/tax advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a business, as well as regarding depreciation and amortization schedules and the period over which the assets of your business may be amortized or depreciated.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting OnAxis Franchising Group, LLC Attn: Traci Frey, VP of Legal and Administration, 136 School Street, #286, Spring Mills, PA 16875; 800-SOLUTIONS, the Federal Trade Commission and any appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY FOR YEARS ~~2020~~2021 TO ~~2022~~2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	201	203	+2
	2022	203	217	+14
	2023	217	197	-20
Company- Owned	2021	2	0	-2
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	203	203	0
	2022	203	217	+14
	2023	217	197	-20

TABLE NO. 2
**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN
FRANCHISOR OR AN AFFILIATE) FOR YEARS ~~2020~~2021 TO ~~2022~~2023**

State	Year	Number of Transfers
Maine	2021	2
	2022	0
	2023	0
New Hampshire	2021	0
	2022	0
	2023	2
New Jersey	2021	0
	2022	2
	2023	0
TOTAL	2021	2
	2022	2
	2023	2

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS FOR YEARS ~~2020~~2021 TO ~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Us	Ceased Operations- Other Reasons	Outlets at End of Year
Alabama	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arizona	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
California	2021	32	2	11	0	0	0	23
	2022	23	0	0	0	0	0	23
	2023	23	0	0	2	0	10	11
Colorado	2021	3	0	0	0	0	0	3
	2022	3	2	0	0	0	0	5
	2023	5	0	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Us	Ceased Operations- Other Reasons	Outlets at End of Year
Connecticut	2021	14	2	0	0	0	0	16
	2022	16	0	0	0	0	0	16
	2023	16	0	0	0	0	0	16
Florida	2021	6	1	6	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1*	0
Georgia	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	3	1	0	0	0	7
Hawaii	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Idaho	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Illinois	2021	2	3	0	0	0	0	5
	2022	5	2	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Indiana	2021	0	5	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Iowa	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kentucky	2021	1	0	0	1	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1*	0	0	0	0	1
Massachusetts	2021	27	2	0	0	0	0	29
	2022	29	0	0	0	0	0	29
	2023	29	1	1	0	0	0	29
Maryland	2021	7	2	0	0	0	0	9
	2022	9	4	0	2	0	0	11
	2023	11	3	0	0	0	0	14
Maine	2021	3	0	1	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Michigan	2021	2	0	0	0	0	0	2
	2022	2	0	0	2	0	0	0
	2023	0	0	0	0	0	0	0
Minnesota	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	1	7

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Us	Ceased Operations- Other Reasons	Outlets at End of Year
Mississippi	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	1	0	0	0	1
North Carolina	2021	10	2	0	0	0	0	12
	2022	12	3	0	0	0	0	15
	2023	15	0	0	0	0	0	15
New Hampshire	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	4	0	0	0	2
New Jersey	2021	4	3	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Nevada	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New York	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Ohio	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Oregon	2021	3	0	3	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Pennsylvania	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	2	5	0	0	3	2
Rhode Island	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
South Carolina	2021	5	2	0	0	0	0	7
	2022	7	2	0	0	0	0	9
	2023	9	2	0	1	0	0	10
Tennessee	2021	3	0	0	0	0	0	3
	2022	3	3	0	0	0	0	6
	2023	6	0	1	0	0	0	5
Texas	2021	7	0	6	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Utah	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Us	Ceased Operations- Other Reasons	Outlets at End of Year
Virginia	2021	20	0	0	0	0	0	20
	2022	20	2	0	0	0	0	22
	2023	22	0	0	0	0	0	22
Vermont	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
West Virginia	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
TOTAL	2021	201	31	28**	1	0	0	203
	2022	203	18	0	4	0	0	217
	2023	217	12	14	3	0	15	197

⌘

*Footnote: This franchisee moved his Franchised Business from Florida to Kentucky and currently operates in that state.

**Footnote: 27 of the terminated units were terminated by the Master Operator so they could focus regionally instead of nationally.

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS FOR YEARS ~~2020~~2021 TO ~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Massachusetts	2021	1	0	0	0	1	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Washington	2021	1	0	0	1	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
TOTAL	2021	2	0	0	1	1	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

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TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, ~~2022~~2023

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected Company Owned Openings in Next Fiscal Year
Arizona	0	1	0
California	0	2	0
Florida	0	2	0
Georgia	0	1	0
Illinois	0	2	0
Kentucky	0	1	0
Michigan	0	2	0
Missouri	0	1	0
New Jersey	0	2	0
North Carolina	0	2	0
Ohio	0	2	0
Pennsylvania	0	2	0
South Carolina	0	2	0
Tennessee	0	2	0
Texas	0	3	0
Utah	0	2	0
Wisconsin	0	1	0
TOTAL	0	30	0

Note: The information provided in this Item 20 for ~~years 2020 and~~ 2021 was supplied by our predecessor.

We list our current franchisees and company owned units in Exhibit E. Exhibit E-1 contains the names, addresses, and telephone numbers of every franchisee who had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the Disclosure Document issuance date.

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

As a standard practice, when we enter into a Termination and Release Agreement with a former franchisee, we require the former franchisee to agree to maintain all information that the former franchisee has about us confidential. We have entered into these Termination and Release Agreements (including the confidentiality clause) within the past three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We do not know of any trademark-specific franchisee organizations associated with the System.

ITEM 21

FINANCIAL STATEMENTS

Our audited financial statements for [\(a\) our fiscal year ending December 31, 2023 and \(b\) the period from June 1, 2022 through December 31, 2022](#) ~~(our fiscal year end)~~ are attached as Exhibit D to this Disclosure Document. We have not been in business for 3 years or more and [therefore](#) cannot include all financial statements required ~~in Instructions (1)(i) and (ii) of to be disclosed in this Item 21 of the NASAA Franchise Registration and Disclosure Guidelines.~~ Our fiscal year end is December 31.

~~Also included in Exhibit D are our unaudited financial statements as of March 31, 2023.~~

ITEM 22

CONTRACTS

Copies of the following agreements used in connection with the offering of a Green Home Solutions franchise are attached as Exhibits:

Exhibit C	Franchise Agreement
Schedule A -	Initial Franchise Fee, Territory, Ownership and Related Matters
Schedule B -	State Law Addenda
Schedule C -	Electronic Debit Authorization
Schedule D -	Personal Guaranty of Franchisee's Owners
Schedule E -	Personal Covenants
Schedule F -	Form of Release, Covenant Not to Sue, and Indemnification

ITEM 23

RECEIPTS

The last two pages of this Disclosure Document (Exhibit I) are detachable documents acknowledging that you received this Disclosure Document.

EXHIBIT A
STATE ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Exhibit A Page 1

STATE REGULATIONS AND REQUIREMENTS ADDENDUM

The following are additional disclosures for our Multistate Franchise Disclosure Document. Various state franchise laws require us to make these additional disclosures. These additional disclosures will not apply to you unless you meet the jurisdictional requirements of the applicable state franchise registration and disclosure law independently without reference to these additional disclosures. These disclosures supplement our Disclosure Document and supersede any conflicting information in the main body of the Disclosure Document:

FOR THE STATE OF CALIFORNIA

1. The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

2. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

3. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) DAYS PRIOR TO EXECUTION OF AGREEMENT.

4. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

5. Item 6 Notes is amended by the addition of the following sentence:

The highest interest rate allowed in California late payments is 10% annually.

6. Item 3, "Litigation," is amended by the addition of the following paragraph:

Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in the association or exchange.

7. Item 17 of the Disclosure Document is amended to add the following:

The California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The AR Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

The Franchise Agreement contains a covenant not to compete that extends beyond the term of the Agreement. This provision might not be enforceable under California law.

The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.

The Franchise Agreement requires application of the laws of a state other than the State of California. This provision might not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in Item 17 with the costs being borne by the non-prevailing party. Prospective Franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (including Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

The following URL address is for the Franchisor's website:

www.greenhomesolutions.com

FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

FOR THE STATE OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Item 5 of this Disclosure Document is amended to provide that the Initial Franchise Fee is due when you begin operating your Franchised Business.

FOR THE STATE OF ILLINOIS

Special Risks to Consider About *This* Franchise

- ~~1. Item 5 of this Disclosure Document is amended to provide that the Initial Franchise Fee is due when you begin operating your Green Homes Solutions Franchised Business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.~~
- ~~2.1.~~ This Agreement is governed by Illinois law if the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.
- ~~3.2.~~ Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.
- ~~4.3.~~ Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
- ~~5.4.~~ Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
- ~~6.5.~~ Each provision of this addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently, without reference to this addendum.
- ~~7.6.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FOR THE STATE OF INDIANA

1. Item 8 of the Disclosure Document is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), the Franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the Franchisee does business, on account of, or in relation to, the transaction between the Franchisee and the other person, other than for compensation for services rendered by the Franchisor, unless the benefit is promptly accounted for, and transmitted by the Franchisee.

2. Items 6 and 9 of the Disclosure Document are amended to add the following:

You will not be required to indemnify us for any liability imposed on us as a result of your reliance on or use of procedures or products that we required, if you used the procedures or products in the manner we required.

3. Item 17 of the Disclosure Document is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

Item 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant will have a geographical limitation of the [Protected](#) Territory granted to Franchisee.

Item 17(v) is amended to provide that Franchisees will be permitted to file litigation in Indiana for any cause of action under Indiana Law.

Item 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

Item 17(w) - The provisions of the Franchise Agreement relieving both parties from liability for punitive damages will not apply to franchises offered and sold in the State of Indiana

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FOR THE STATE OF MARYLAND

~~1. Item 5 of the Disclosure Document is amended to add the following language:~~

~~Based on the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.~~

~~2.1. Item 517~~ of the Disclosure Document is further amended to add the following:

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

~~3.2.~~ Item 17 of the Disclosure Document is amended to add the following:

Any litigation between you and us may be filed in any court of competent jurisdiction, including a court in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law will prevail.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a Franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FOR THE STATE OF MINNESOTA

1. Item 13 of the Disclosure Document is amended as follows:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. Item 17 of the Disclosure Document is amended as follows:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement.

Item 17 will not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

The Franchise Agreement contains provisions that may be interpreted as liquidated damages clauses under Minnesota law. Certain liquidated damages clauses are unenforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this addendum to the Disclosure Document.

FOR THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for you to renew or extend,**” and Item 17(m), entitled “**Conditions for our approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.
5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum,**” and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

FOR THE STATE OF NORTH DAKOTA

~~1. Item 5 of this Disclosure Document is amended to provide that the Initial Franchise Fee is due when you begin operating your Green Homes Solutions Franchised Business.~~

2.1. Item 5 of the Disclosure Document is amended by the addition of the following language to the original language: Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, and Sections 51-19-01 through 51-19-17. If we elect to cancel this Franchise Agreement, we will be entitled to a reasonable fee for our evaluation of you and related preparatory work performed and expenses actually incurred.

3.2. Item 6 of the Disclosure Document is amended to add the following:

No consent to termination or liquidated damages is required from Franchisees in the State of North Dakota.

4.3. Item 17 of the Disclosure Document is amended to add the following:

No general release is required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under North Dakota Law.

In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.

The Franchise Agreement is amended to state that the statute of limitations under North Dakota Law will apply.

Items 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

Item 17(u) is amended to provide that the site for mediation or arbitration must be agreeable to all parties and may not be remote from the Franchisee's place of business.

Item 17(v) is amended to state a provision requiring litigation to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.

Item 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control.

Item 17(w) is amended to state that the Franchise Agreement requires you to waive your right to collect exemplary or punitive damages. This provision may not be enforceable under North Dakota law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FOR THE STATE OF RHODE ISLAND

Item 17 of the Disclosure Document is amended to add the following:

The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

Any general release as a condition of renewal, termination, or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FOR THE STATE OF SOUTH DAKOTA

~~Item 5 of this Disclosure Document is amended to provide that the Initial Franchise Fee is due when you begin operating your Green Homes Solutions Franchised Business.~~

FOR THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for OnAxis Franchising Group, LLC for use in the Commonwealth of Virginia is amended as follows:

~~1.~~ ~~The following statements is added to Item 5:~~

~~The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.~~

~~2.1.~~ The following statements are added to Item 17(h):

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for us to cancel a Franchise Agreement without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement, do not constitute "reasonable cause", as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

~~3.2.~~ The following statements are added to Item 17:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for us to use undue influence to induce you to surrender any right given to you under the franchise. If any provisions of the Franchise Agreement involve the use of undue influence by us to induce you to surrender any rights given to you under the franchise, that provision may not be enforceable.

~~4.3.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FOR THE STATE OF WASHINGTON

Item 17 of the Disclosure Document is amended to add the following:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise. There also may be court decisions that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed on at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, you may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by you may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when signed pursuant to a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

Under RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of you, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of you under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a Franchisor from restricting, restraining, or prohibiting a Franchisee from (i) soliciting or hiring any employee of a Franchisee of the same Franchisor or (ii) soliciting or hiring any employee of the Franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FOR THE STATE OF WISCONSIN

Item 17 of the Disclosure Document is amended to add the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT B

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

If a state is not listed below, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed below.

STATE	AGENCY	PROCESS, IF DIFFERENT
California	<p>Department of Financial Protection and Innovation <i>Los Angeles</i> 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500</p> <p><i>Sacramento</i> 1515 K Street Suite 200 Sacramento, CA 95814-4052 (916) 445-7205</p> <p><i>San Diego</i> 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233</p> <p><i>San Francisco</i> One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565</p> <p>Toll Free (866) 275-2677</p>	<p>Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344</p>
Hawaii	<p>Department of Commerce and Consumer Affairs Business Registration Division P.O. Box 40 Honolulu, HI 96810 (808) 586-2727 (808) 586-2740 (808) 586-2744</p>	<p>Commissioner of Securities of Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813</p>
Illinois	<p>Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62701 (217) 782-4465</p>	
Indiana	<p>Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681</p>	

STATE	AGENCY	PROCESS, IF DIFFERENT
Maryland	Office of Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section G. Mennen Williams Building, 1st Floor 525 W. Ottawa St. Lansing, MI 48909 (517) 335-7567	
Minnesota	Minnesota Department of Commerce Securities Unit 85 7 th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1638	Minnesota Department of Commerce Securities Unit Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street New York, NY 10005 Phone: (212) 416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 Boulevard Avenue, State Capitol Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner 600 East Boulevard Avenue State Capitol, Fifth Floor Bismarck, ND 58505-0510
Rhode Island	Securities Division Department of Business Regulation 1511 Pontiac Avenue John O. Pastore Complex – Bldg 69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219-3630 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street Richmond, VA 23219

STATE	AGENCY	PROCESS, IF DIFFERENT
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760 -or 150 Israel Road SW Tumwater, WA 98501	Director of Dept. of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701 -or 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-0448	Administrator, Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703

EXHIBIT C
GREEN HOME SOLUTIONS® FRANCHISE AGREEMENT

GREEN HOME SOLUTIONS®

**FRANCHISE AGREEMENT BETWEEN
ONAXIS FRANCHISING GROUP, LLC**

AND

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SCHEDULES:

Schedule A -	Initial Franchise Fee, Territory, Approved Location, and Franchisee Ownership
Schedule B -	State Law Addenda
Schedule C -	Electronic Debit Authorization
Schedule D -	Personal Guaranty of Franchisee’s Owners
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Schedule F -	Form of Release, Covenant Not to Sue, and Indemnification

ONAXIS FRANCHISING GROUP, LLC FRANCHISE AGREEMENT FOR GREEN HOME SOLUTIONS

THIS FRANCHISE AGREEMENT (the “Agreement”) is entered into as of _____ (the “Effective Date”), between ONAXIS FRANCHISING GROUP, LLC, a Delaware limited liability company (“we,” “us,” “our,” or “Franchisor”), and _____, whose place of organization, formation, and principal business address are stated on Schedule “A” attached to this Agreement (“Franchisee”, “you” or “your”).

RECITALS

WHEREAS, Franchisee desires to enter into an agreement with Franchisor to obtain the rights to operate a Green Home Solutions® business (the “Franchised Business”) using the system developed by Franchisor or its affiliate, including standardized methods and procedures for the operation of a business offering environmentally preferred, odor management services and other cleaning solutions as may be developed by Franchisor in the future, distinctive specifications for equipment; sales techniques, marketing, advertising, and procedures for operation and management of a [Green Home Solutions business Franchised Business](#) in the manner set forth in this Agreement and in the Brand Standards Manual provided by Franchisor and modified from time to time (the “Green Home Solutions System” or “System”); and

WHEREAS, Franchisor and its franchisees use certain trade names, trademarks and service marks including, without limitation, the service mark “Green Home Solutions” in connection with the Green Home Solutions System (the “Licensed Marks”). The rights to all such Licensed Marks as are now, or hereafter will be, designated as part of the Green Home Solutions System will be owned exclusively by Franchisor or its affiliate and be used for the benefit of Franchisor, its affiliate, and Franchisor’s franchisees to identify to the public the source of the products and services marketed thereunder; and

WHEREAS, you have applied to us for a franchise to use the System, and we desire to grant you a franchise to use the System, all subject to the terms and conditions of this Agreement and such application has been approved in reliance upon all of the representations made therein; and

WHEREAS, the Franchisee appreciates and acknowledges the importance of the Franchisor’s standards of quality, appearance, and service as a necessity of owning and operating a franchise outlet in conformity with the Franchisor’s standards and specifications, and

WHEREAS, the Franchisee represents and warrants that the Franchisee is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by the Franchisee of the obligations under this Franchise Agreement; and

WHEREAS, the Franchisee represents and warrants that neither the Franchisee nor any person or firm cooperating, assisting or acting with the Franchisee in connection with the opening of this franchise, or upon whom or which he may be relying for any assistance in this matter, direct or indirect, financial or otherwise, is a party to any contract, agreement or arrangement which limits, prohibits or purports to limit or prohibit the Franchisee’s entering into this Franchise Agreement or performing the Franchisee’s obligations hereunder;

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

1. GRANT OF FRANCHISE

1.1 **Grant of Franchise.** The Franchisor shall grant to the Franchisee subject to the terms, conditions, and obligations herein contained, the right and license to operate a residential and light commercial mold removal, control and remediation business under the trade name and style GREEN HOME SOLUTIONS and to use in connection therewith the Franchisor's System at, and only at, a mutually agreeable location and which shall be provided for on Schedule "A" within ten (10) days of the date of the Franchisor's approval of the Franchisee's location for the Franchised Business (hereinafter referred to as the "Premises"). Franchisor shall grant the Franchisee the right to offer such additional future products and services that may become part of the GREEN HOME SOLUTIONS system, provided Franchisee is then in good standing.

1.2 **Uniform Standards.** You acknowledge and agree that the central feature of a franchise system is a consistent method of operation at all Green Home Solutions Franchised Businesses in the System; and that, as a result, it is essential to the high standards and goodwill of the franchise system that each franchisee, including you, strictly comply with all of our rules, guidelines, standards, specifications, plans, programs, methods, techniques, and procedures, all of which are contained in our confidential Brand Standards Manual ("Brand Standards Manual") and this Agreement. You also acknowledge and agree (i) that we may modify all or any part of the System to adapt to changes in the marketplace, economic conditions, business conditions, the demands of consumers, our business needs and the needs of the System; (ii) that such modifications may include additions to, deletions from, or modifications to the services or products you offer for sale, sell or deliver in your Franchised Business, which modifications may include modifications to our proprietary Marks; (iii) that you agree that you expect us to change or modify the System; (iv) that you covenant, warrant, represent, and agree that you will comply with all rules, guidelines, standards, specifications, plans, programs, methods, techniques and procedures, and the Brand Standards Manual related to the System, as we add to, delete from, and modify any or all of them from time to time, and with this Agreement.

1.3 **Non-Exclusivity.** The parties expressly agree that the license granted herein relates solely to the [Protected](#) Territory identified on Schedule "A" (the "Protected Territory") and affords to the Franchisee no rights regarding such other franchises or other territories, if any, as the Franchisor in its sole discretion may elect to make available to the Franchisee or to other franchisees or for the Franchisor's own use in the future. The Franchisee expressly acknowledges and agrees that this license is non-exclusive, and that the Franchisor retains, among others, the right, in its sole discretion:

1.3.1 To grant other franchises and/or licenses for its Proprietary Marks in addition to those franchises and/or licenses already granted to existing franchisees on any terms and conditions we deem appropriate outside of Franchisee's [Protected](#) Territory.

1.3.2 To develop and establish other franchise or licensed systems for the same or similar products or services utilizing the same or similar Proprietary Marks, or any other Proprietary Marks now or hereafter designated as part of the System licensed by this Agreement and to grant franchises and/or licenses thereto without providing the Franchisee any right therein.

1.3.3 To periodically designate in the Brand Standards Manual or elsewhere, National Accounts. We have the right to negotiate and enter into agreements to provide services that are the same or similar to those offered by franchisees, to any business that owns, manages, controls, services or otherwise has responsibility for the maintenance of facilities or properties that may be located in the Protected Territory of one or more franchisees. We will offer you the opportunity to service the National Account located within your Protected Territory, or if the location of the National Account is not within the Protected

Territory of a franchisee, then we may, in our discretion, offer the nearest franchisee the opportunity to service the National Account. If you agree to service the National Account, it will be on the terms that we have negotiated. You are under no obligation to agree to provide services to a National Account. If you do not agree to provide services to a National Account then we may offer another franchisee, or Franchisor or affiliate-owned unit the right to provide services to the National Account in your Protected Territory, without compensation to the Franchisee.

1.3.4 To operate, and to grant others the right to operate Green Home Solutions Franchised Businesses located anywhere outside your Protected Territory under any terms and conditions we deem appropriate and regardless of proximity to your business location.

1.3.5 To use alternate channels of distribution such as direct mail, catalogue sales, telemarketing, and the internet both within and outside of your Protected Territory to sell or distribute products under the Marks or under other trademarks or service marks.

1.3.6 To acquire the assets or ownership interests of one or more businesses providing services similar to those provided by ~~Green Home Solutions businesses~~ Franchised Businesses, and franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in Franchisee's Protected Territory).

1.3.7 To be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided by ~~Green Home Solutions businesses~~ Franchised Businesses, even if such business operates, franchises and/or licenses competitive businesses in your Protected Territory.

1.3.8 To place reasonable restrictions on the customers a Franchisee may serve within its Territory, based upon Franchisor's reasonable assessment of Franchisee's ability to provide services to those customers. Any customer restrictions will be reflected in an amendment to this Agreement. For example, and not by way of limitation, without our express approval, you may not provide mold cleaning services to (i) businesses which occupy more than Twenty Thousand (20,000) square feet of space, have more than Two Hundred (200) employees at one (1) location; (ii) marinas; (iii) recreational vehicle dealerships; (iv) schools; or (v) hospitals within your Protected Territory.

1.4 Operation of Franchise Limited to Territory; Incidental Advertising. Franchisee may not provide services, market, or solicit business outside of the Protected Territory unless otherwise approved in writing by Franchisor. In order to be granted the right to solicit business outside of the Protected Territory, Franchisee must meet the following conditions. If you violate this restriction, Franchisor has the right to terminate the Franchise Agreement.

1.4.1 The area in which Franchisee wishes to provide service to clients is not included in another franchisee's protected territory or in a territory currently served by a Green Home Solutions business owned by Franchisor or an affiliate of Franchisor.

1.4.2 Franchisee may not explicitly direct any advertising to clients or potential clients outside the Protected Territory.

1.4.3 When the area is granted to another franchisee, Franchisee may complete any jobs in progress with existing clients, but may not provide services to any new clients in the area or begin new jobs for any existing client in the area and, upon Franchisor's request, turn over Franchisee's list of

clients in the external area to the franchisee to which the area has been granted without seeking or accepting any compensation for doing so. Franchisee will immediately take all steps necessary to completely discontinue any advertising that Franchisee has directed to clients in the area.

1.5 National Accounts.

1.5.1 Franchisor will have the exclusive right, unless otherwise specifically delegated in writing, on behalf of itself, Franchisee, and/or other franchisees utilizing the Licensed Marks, to negotiate and enter into agreements or approve forms of agreement to provide services to “National Account” customers, including any affiliate, Franchisor owned or franchised locations within the [Protected](#) Territory.

1.5.2 The term “National Account” means (i) any customer which on its own behalf or through agents, franchisees, or other third parties owns, manages, services, controls or otherwise has responsibility for a business (which may include multi-family housing or a number of single family residences) in more than one (1) location in more than one (1) state, including, but not limited to, institutional customers such as restaurant chains, franchise systems, referral services, or other multi-location businesses or facilities that require services which Franchisee has been authorized to provide pursuant to the terms of this Agreement that is within Franchisee’s Protected Territory. Any dispute as to whether a particular customer is a National Account will be determined by Franchisor and Franchisor’s determination will be final and binding.

1.5.3 Following the execution of a contract with or the acceptance of a bid by a National Account customer which contemplates the provision of services to one or more National Account customer locations within or outside of the Protected Territory, Franchisor will, if Franchisee is qualified to perform the services and conditioned upon Franchisee’s substantial compliance with the terms of this Agreement and any addendum, provide Franchisee the option to perform such services pursuant to the terms and conditions of the National Account contract or on such terms and conditions as Franchisor determines appropriate, including the Franchisee’s agreement to pay the National Account Fee.

1.5.4 If Franchisee; (i) elects not to provide services to a National Account customer in conformity with the terms and conditions of the National Account bid or contract; (ii) fails to make an election within the time specified by Franchisor, after being offered the opportunity by Franchisor; (iii) fails to satisfactorily perform its obligations to the National Account, Franchisor will have the right to:

(a) Provide, directly or through any other licensee or franchisee utilizing the Licensed Marks, services to the National Account customer location(s) within the [Protected](#) Territory on the terms and conditions contained in the National Account bid or contract; and/or

(b) Contract with another party to provide such services to the National Account customer location(s) within the [Protected](#) Territory on the terms and conditions contained in the National Account bid.

(c) Neither the direct provision by Franchisor (or a franchisee, licensee, or agent of Franchisor) of services to National Account customers as authorized in (a) above, nor Franchisor’s contracting with another party to provide such services as authorized in (b) above, will constitute a violation of this Section 1 relating to territorial protection, even if such services are delivered from a location within the [Protected](#) Territory. Franchisee disclaims any compensation or consideration for work performed by others in the Protected Territory pursuant to this Section 1.5.

1.5.5 Franchisor does not warrant or represent that another Green Home Solutions Franchisee will not solicit or make sales in your Protected Territory, and you expressly acknowledge that

such solicitations or sales may occur. Franchisor agrees to make commercially reasonable efforts to enforce the territorial protections provided in the Franchise Agreement. If upon investigation, Franchisor determines that Franchisee has provided services within another Green Home Solutions franchisee's "Protected Territory", without written permission from the owner of the "Protected Territory", Franchisor shall, in its discretion impose the following administrative charges and penalties to Franchisee: (i) first incident – fee equal to two (2) times the full price received from the customer(s); (ii) second incident – fee equal to four (4) times the full price received from the customer(s); (iii) third incident – termination of Franchise Agreement(s). Conversely, in the event Franchisee has reasonable cause to believe that another Green Home Solutions franchisee has solicited or provided services to customers in your Protected Territory, or another Franchisee has breached an agreement between franchisees to do work in Franchisee's Protected Territory, Franchisee shall immediately notify Franchisor and supply Franchisor with reasonable documentation to support its claim. If upon investigation, Franchisor determines that another Green Home Solutions Franchisee has provided services within your Protected Territory and/or has breached an agreement to do so, Franchisor shall, in its discretion impose the following administrative charges and penalties to the offending Franchisee: (i) first incident – fee equal to two (2) times the full price received from the customer(s); (ii) second incident – fee equal to four (4) times the full price received from the customer(s); (iii) third incident – termination of Franchise Agreement(s).

Breach of Agreement Granting Permission to Work in Others' Territory. In the event that Franchisee has been given written permission by another franchisee to perform work in their "Protected Territory" or if Franchisee has formed an agreement with another franchisee, to perform work in another's "Protected Territory", and that agreement has been breached, a minimum of Fifteen Percent (15%) commission of the total gross sale will be paid to the franchise owner of that "Protected Territory," unless otherwise agreed upon by franchise owners. Royalties on any commission will be paid by the franchisee receiving the commission.

Provide an Estimate in Others' "Protected Territory".

Franchisee shall not provide an estimate to perform services in another franchisee's "Protected Territory", without the written permission of the owner of that "Protected Territory". In the event Franchisee provides an estimate to perform services in another franchisee's "Protected Territory", Franchisor may, in its discretion, impose a penalty that includes administrative fees and penalties to the Franchisee up to the amount of the estimate. Franchisee will pay the administrative fees and penalties directly to Franchisor. Conversely, in the event Franchisee has reasonable cause to believe that another Green Home Solutions franchisee has provided an estimate to perform services in Franchisee's Protected Territory, Franchisee shall immediately notify Franchisor and supply Franchisor with reasonable documentation to support its claim. If upon investigation, Franchisor determines that another Green Home Solutions franchisee has provided an estimate for services within your Protected Territory, Franchisor may, in its discretion, impose a penalty that includes administrative fees and penalties to the offending franchisee up to the amount of the estimate. The offending franchisee will pay the fees and penalties directly to Franchisor. Franchisor shall remit the fee collected, minus the appropriate internal administrative fee, from the offending franchisee to the Franchisee.

Infringement offenses will be calculated throughout the term of Franchisee's current Franchise Agreement. Franchisor has the right to collect all administrative fees, legal fees, and court costs incurred while investigating and resolving any infringement complaint. Franchisor shall retain the administrative fees collected from the offending Franchisee and remit the penalty amount collected from the offending Franchisee to the Franchisee whose Protected Territory the services were wrongfully provided, minus the applicable Royalty fee and any past due amounts.

Failure to Provide a Referral in Others' "Protected Territory".

Franchisor requires Franchisee to refer leads received from outside of their Protected Territory to the owner of the "Protected Territory" within 12 business hours of receiving the lead. The lead must be provided to the owner of the "Protected Territory" via phone call, text, or email. If the owner of "Protected Territory" is unknown, the lead contact information should be provided directly to the Franchisor within 12 business hours of receiving the lead via phone call, text, or email. The Franchisor will provide the lead contact information to the appropriate franchisee. Ownership of zip codes can be confirmed by contacting the Franchise Service Center. Failure to pass the lead timely will be considered an infringement and will result in a fine based on the system-wide average price per job at that time. Infringement may also trigger a default of this Franchise Agreement.

1.6 **Reasonable Business Judgment.** We acknowledge and agree that we will, and you acknowledge and agree that we may, use Reasonable Business Judgment, as defined in Paragraph 23.4.2 of this Agreement, in the exercise of our rights, discharge of our obligations, and exercise of our discretion under this Agreement, and in all circumstances where we are required to give our consent, unless this Agreement expressly provides some other standard.

2. TERM AND RENEWAL

2.1 **Initial Term.** This Agreement will take effect upon its execution by all parties (the "Effective Date"), and unless previously terminated pursuant to this Agreement the term of this Franchise Agreement shall be for a period of ~~seven (7)~~ten (10) years (the "Initial Term").

2.2. **Renewal Term.** If the Franchisee wishes this Franchise Agreement to be renewed by Franchisor for additional terms of ~~seven (7)~~ten (10) years each (the "Renewal Term") the Franchisee shall provide Franchisor written notice of its request for renewal not less than nine (9) months or more than twelve (12) months prior to the end of the term of this Franchise Agreement. Franchisor shall not unreasonably withhold its approval of such request for renewal provided, however, that in order to be considered for renewal the Franchisee agrees to comply with the following conditions:

2.2.1 The Franchisee is not, when the request for renewal is made, nor at any time between the request and the date of renewal, in default of any provision of this Franchise Agreement, any amendment hereof, or successor hereto or any other agreement between the Franchisee and Franchisor or its affiliates, and the Franchisee has been in substantial compliance with the terms and conditions of all such agreements during the term of this Agreement.

2.2.2 The Franchisee is in Financial Good Standing. For purposes of this Subsection 2.2.2, "Financial Good Standing" means the following, without limitation; (i) Franchisee has fulfilled in a timely manner, all of its monetary obligations towards Franchisor, Franchisor's affiliates and designated suppliers; (ii) Franchisee has not made a late payment to Franchisor, Franchisor's affiliates, or designated suppliers more than three (3) times within the prior nine (9) months; (iii) Franchisee has made all required reports to Franchisor in a timely manner; and (iv) there are no currently open financial audits.

2.2.3 The Franchisee executes Franchisor's then-current Franchise Agreement for renewal franchises, which may contain terms and conditions materially different from those set forth herein, including, without limitation, the then-current rate for royalties, minimum product purchase requirements, advertising and other payments as such Franchise Agreement may provide, but not Franchisee's Protected

Territory; provided, however, that the Franchisee shall not be required to pay any additional initial franchise fee as may be set forth in the then-current Franchise Agreement.

2.2.4 Franchisee shall pay a renewal fee of ~~(Seven~~Two Thousand ~~Five~~Six Hundred ~~and Fifty Dollars)~~ \$7,500 or 25% of the then current franchise fee, whichever is greater (\$2,650) per unit.

2.2.5 The Franchisee shall execute a general release under seal, in a form satisfactory to Franchisor, substantially similar to Schedule "F", of any and all claims it may have against Franchisor and its officers, directors, shareholders, members, managers and employees, in their corporate and individual capacities, including without limitation, all claims arising under any federal, state or local law, rule or ordinance. If this franchise is situated in a state whose law, at the time of renewal, prohibits the giving of a general release as a condition for the renewal of a franchise, then this Paragraph 2.2.5 shall not, in such event, be a condition to renewal of this franchise, unless a release of some, but not all, claims is permitted, in which instance the Franchisee shall give a release to the extent permitted.

2.2.6 The Franchisee has made or has provided for such renovation and modifications as Franchisor then requires new franchisees entering the System, including, without limitation, computer hardware and software, equipment, furnishings, and vehicles in accordance with the standards of the Franchisor.

2.2.7 The Franchisee completes any additional education or certification programs that the Franchisor may then require for franchisees upon renewal.

3. OPERATING ASSISTANCE

3.1 **Assistance Prior to Opening.** Prior to Franchisee's Opening Date, Franchisor will provide Franchisee with the following assistance, on the same basis as it will from time to time make available to other Green Home Solutions franchisees:

3.1.1 Loan Franchisee or provide Franchisee with access to the electronic version of one copy of the Brand Standards Manual. Franchisor may modify the Brand Standards Manual by written or on-line supplements of which Franchisee will receive copies or receive links to print documents.

3.1.2 Review the Franchisee's proposed location for the Franchised Business and grant approval to the proposed location if it meets Franchisor's standards. Franchisor neither offers nor provides any other services in this regard.

3.1.3 Franchisor will provide reasonable assistance to Franchisee with the formulation of an initial marketing plan for the Franchised Business.

3.1.4 Franchisor will provide an initial certification program to you and your designated Manager.

3.1.5 Franchisor will provide Franchisee with Franchisor's mandatory specifications for required equipment and supplies needed to operate the Franchised Business.

3.1.6 Franchisor will establish a presence for the Franchised Business on any internet web site that Franchisor has established for the Franchise System.

3.2 **Ongoing Assistance.** After Franchisee's Opening Date, Franchisor or its designee will make the following assistance available to Franchisee:

3.2.1 Provide reasonable consultation and advice in response to Franchisee's inquiries about specific administrative and operating issues. Franchisee is solely responsible for the day-to-day operation of the Franchised Business. Franchisor may decide how best to communicate such consultation and advice to Franchisee, whether by telephone, in writing, electronically, or in person. The method chosen by Franchisor may be different than the methods used by Franchisor for other franchisees.

3.2.2 Administer the Brand Development Fund and approve advertising that Franchisee creates for Franchisee's local use.

3.2.3 Make goods and services available to Franchisee either directly or through approved suppliers.

3.2.4 Periodically revise the Brand Standards Manual to incorporate new developments and changes in the Green Home Solutions System and provide Franchisee with a hard copy or electronic copy of all updates.

3.2.5 We may also hold statewide, regional, or national conferences and meetings, as set forth in Section 6.18, to discuss promotional techniques, performance standards, advertising programs and general topics. You are required to attend those conferences. We may charge a fee of up to \$1,000 for the Annual Convention, regardless of whether you attend, which covers attendance for two (2) people; you must pay for all your travel and lodging expenses for all conferences and meetings, including the Annual Convention. We reserve the right to increase this fee upon notice to you.

3.2.6 Provide such general advisory assistance and field support as we deem helpful to you, in our discretion, in the ongoing operation, advertising and promotion of your Franchised Business.

3.2.7 We will conduct periodic inspections of the Business licensed herein and periodic evaluation of the services rendered by the Franchisee.

3.2.8 Provide Franchisee with access to advertising and promotional items and materials that Franchisor may develop for promotion of the System. Franchisor is not however, required to develop any advertising or promotional items or materials. Franchisee will be required to purchase the advertising materials if Franchisor so directs and if Franchisee desires to use them, including all costs of shipping.

3.2.9 Use our efforts to maintain high standards of quality, appearance, and professionalism and service of the Franchised Business.

3.2.10 We will provide certification programs on new products and services that we may make available to you to offer at the Franchised Business.

3.2.11 We will, at your request, examine information or samples provided by you about products or services which are not approved by us but which you would like to offer from your Franchise. We will decide based on the information supplied by you and by information we might obtain somewhere else, whether to approve the product or service you have presented to us. We will provide you with our approval or disapproval within ninety (90) days of receiving your written request. You must pay all our expenses in connection with any examination, testing or inspection as provided in Section 4.7.

3.2.12 Provide additional optional instruction is available on an as-needed basis for an additional fee of One Hundred Dollars (\$100) per day plus travel, room, and board expenses for each certification facilitator. If additional certification training is required onsite at the Franchisee location, a fee of Five Hundred Dollars (\$500) per day plus travel, room and board expenses for each certification facilitator may be charged.

4. **FEES AND OTHER PAYMENTS.**

In consideration of the license granted herein, the Franchisee shall pay to the Franchisor the following fees:

4.1 **Initial Franchise Fee.** In consideration of the execution of this Agreement, Franchisee agrees to pay Franchisor an initial franchise fee in the amount set forth in the Schedule "A" to this Agreement (the "Initial Franchise Fee"). The Initial Franchise Fee will be the sum of ~~Forty~~Fifty-Five Thousand Dollars (~~\$45~~55,000) for a Territory that contains approximately One Hundred Thousand (100,000) people. The Initial Franchise Fee for additional units that are purchased at any time during the term of the Franchise Agreement is ~~Twenty-Five~~Thirty Thousand Dollars (~~\$25~~30,000) per unit. You must be in good standing to qualify to purchase additional units. There is a discount of the first purchased Territory for current and retired US Military personnel and first responders that will own at least 33.34% of the Franchise Unit of ~~twenty-five~~ (~~25~~ 20) percent. These discounts are not combinable.

4.2 **Refund of Initial Franchise Fee.** One Hundred (100%) percent of the Initial Franchise Fee that you have paid will be refunded to you if we notify you of our desire to terminate this Agreement, which notice is received by you after you have completed the initial certification program, but prior to the Opening Date of the Franchised Business. In the event of the exercise by us of the termination rights set forth in this Section 4.2, you and we shall execute a mutual general release of all claims against the other.

4.3 **Initial Equipment and Inventory Package.** Franchisee must purchase the Initial Equipment and Inventory Package at the time the Franchisee signs the Franchise Agreement, which is payable in a lump sum and is not refundable under any circumstances. The cost of the Initial Equipment and Inventory Package for a minimum Protected Territory shall be Twenty-Five Thousand Dollars (\$25,000) to Thirty Thousand Dollars (\$30,000), plus tax and shipping, to perform the basic services of mold removal and odor management. Other services offered by the Franchisor may be made immediately available to you or at other times during your Franchise term.

4.4 **Continuing Royalty Fee.**

4.4.1 The Franchisee shall pay to the Franchisor, a continuing monthly royalty fee (the "Royalty Fee"), during the term of this Franchise Agreement, without offset, credit or deduction of any nature, the following sums, based upon Franchisee's Gross Revenue during the previous month, with a minimum monthly Royalty Fee of Seven Hundred Forty Dollars (\$740.00) per franchised unit (the "Minimum Royalty Fee"). The Minimum Royalty Fee shall not apply during the first ninety (90) days following the Effective Date, although Royalties still apply to Gross ~~Revenues~~Revenue during this period. The Minimum Royalty Fee shall apply to the entirety of any Renewal Term, including the first ninety (90) days thereof.

For Franchisees with 1-2 Units
(Levels are Retroactive Discounts)

Monthly Gross Revenue	Royalty Payment
-----------------------	-----------------

\$0 - \$8,999	10%
\$9,000 - \$13,999	9.25%
\$14,000 and Over	8.25%

Model Continuation for Franchisees with 3 or More Units
(Levels are Cascading Discounts)

This additional portion of the model is a continuation of the previous 3 levels. While the prior levels are a retroactive structure, the additional levels are cascading starting at \$28,000.

Monthly Gross Revenue	Royalty Payment
\$28,000 - \$54,999	\$2,310 plus 7.5% on amount over \$27,999
\$55,000 - \$84,999	\$4,335 plus 7.25% on amount over \$54,999
\$85,000 or greater	\$6,510 plus 7.0% on amount over \$84,999

4.4.2 Franchisees that own a minimum of thirty-three and one-third (33.33%) percent of each of multiple franchise units may combine the Gross Revenue of all such units for purposes of the Royalty computation set forth in Section 4.4.1 (the “Combined Royalty”).

4.4.3 Payment of Continuing Fees. All continuing fees due to Franchisor shall be paid by electronic funds transfer through the Automated Clearing House (ACH) transfer on the fifth (5th) of each month during the Term. Franchisor shall debit Franchisee’s designated bank account for the Minimum Royalty based on the number of franchised units owned by Franchisee, including units subject to the Combined Royalty for the current month. On the fifth (5th) day of the following month, Franchisee’s account will be reconciled based on Gross Revenue for the prior month. Any additional Royalties due based on the reconciliation shall be deducted from Franchisee’s designated bank account in the following month based on Gross ~~Revenues~~Revenue in the previous month. Certain other payments due by Franchisee to Franchisor may be collected at such times as Franchisor shall designate.

4.5 “**Gross Revenue**” means the aggregate of all monies and receipts derived from all services and products sold in your ~~Green Home Solutions business~~Franchised Business; all revenue derived from the operation of the Franchised Business and the exploitation of the franchise system and/or the Marks by you and whether the Gross Revenue is evidenced by cash, credit, services, property, or other means of exchange. Gross Revenue also includes the proceeds of any insurance payments intended to replace your revenue as a result of the interruption of your business. Gross Revenue does not include (a) all sales taxes imposed by governmental authorities directly on sales and actually collected from customers, provided these taxes are added to the selling price, and are, in fact paid by you to the appropriate governmental authority, or (b) cash refunds and credit given to customers provided the related sales have been included in Gross Revenue for which royalties were previously paid. Additionally, “Gross Revenue” will also not include any revenue charged by subcontractors which have provided services to Franchisee’s customers which are related to or ancillary to the Green Home Solutions services provided by Franchisee to its customers (See Section 4.18 for more information on the treatment of Subcontractors).

4.6 **Brand Development Fund.** Franchisee must pay to Franchisor, without offset, credit or deduction of any nature, a Brand Development Fund Fee of up to ~~4~~2% of the Franchisee’s Gross Revenue, as determined by the Franchisor. Currently the Brand Development Fund Fee is 1.25% of the Franchisee’s Gross Revenue. The Brand Development Fund Fee shall be paid on the fifth (5th) of the month in the same manner as the payment of the Royalty Fee. Following written notice to you, we may increase, decrease, or otherwise modify the Brand Development Fund Fee in our sole discretion.

4.7 **Supplier Evaluation Service Fee.** Franchisor's current supplier evaluation service fee (“**Supplier Evaluation Service Fee**”) payable in connection with requested approval by Franchisee of a then non-approved supplier is the reasonable cost incurred by us in evaluating and testing the non-approved supplier, up to One Thousand Dollars (\$1,000). This service fee is nonrefundable and is due at the time request of approval is submitted to Franchisor. Franchisor reserves the right to modify this service fee at any time upon notice to Franchisee.

4.8 **Broker Fee.** Should Franchisee request Franchisor’s assistance in locating a purchaser for Franchisee’s business and we secure a purchaser for your Franchisee’s business, Franchisor shall be entitled to a commission of ten (10%) percent of the sale price, payable at the closing of the sale. If we are required to pay a broker on account of a Transfer of your Franchised Business you will reimburse us for such brokerage fees.

4.9 **Other Charges and Service Fees.** Franchisee understands and agrees that the Green Home Solutions System is developing and that there may be other charges and service fees that will be agreed upon between Franchisee and Franchisor and assessed to Franchisee either by Franchisor or vendors in connection with existing components of the System or the addition of modified or new components to the System. Franchisee agrees to pay all such other charges and service fees in a timely manner.

4.10 **Charitable Contributions Fee.** Franchisor may, in its sole discretion, elect one or more charities to participate with. Franchisor may charge Franchisee an annual contribution of up to \$2,500 to support the charity or charities.

4.11 **Annual Increase in Fixed Fees or Fixed Payments.** Franchisor reserves the right to increase the amount of any fixed fee or fixed payment due Franchisor under this Agreement or a related agreement (“Annual Increase”). An Annual Increase to each particular fixed fee or fixed payment may occur only once during any calendar year and may not exceed the corresponding cumulative increase in the Index since the date of this Agreement or, as the case may be, the date that the last Annual Increase became effective for the particular fixed fee or fixed payment being increased. Any and all Annual Increases will be made at the same time during the calendar year. “Index” refers to the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982 - 1984 100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Agreement, such other governmental index or computation with which it is replaced must be used to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

4.12 **Method of Payment and Electronic Funds Transfer.** Unless otherwise agreed between Franchisor and Franchisee, all fees and other amounts paid to Franchisor or any affiliate must be made in the form of an electronic or similar funds transfer in the appropriate amount(s) from Franchisee’s bank account. Franchisor reserves the right to require Franchisee to pay any fees due under this Agreement at any intervals Franchisor may designate and by such means as Franchisor may specify from time to time. Franchisee agrees to execute and deliver to its bank and to Franchisor those documents necessary to authorize such withdrawals and to make payment or deposit as directed by Franchisor. A form of authorization for electronic transfer of funds is attached hereto as Schedule “C”. Franchisee further agrees that it will not thereafter terminate such authorization so long as the Franchise Agreement is in effect. Franchisee agrees that it will not close such bank account without prior notice to Franchisor and the establishment of a substitute bank account permitting such withdrawals. Franchisee also agrees that in the event that a direct electronic funds transfer or other withdrawal program is not available at the bank at

which it currently does its business, it will take all reasonable and necessary steps to establish an account at a bank which does have such a program.

4.13 Payment and Interest on Late Payments. Except as may otherwise be provided in this Agreement, fees and other amounts due under this Agreement, must be paid ten (10) days after the date of the invoice from Franchisor. Franchisor will initiate payment on all invoices from Franchisee's bank account ten (10) days after the date of the invoice by electronic funds transfer as provided in Section 4.1.12, above. If any fee or other amount due under this Agreement is not paid when it is due, Franchisee will pay a late fee of One Hundred Dollars (\$100.00) plus interest on any balance due from the date due until such amount is paid in full at the highest then-applicable legal rate for open account business credit not to exceed one and one-half (1.5%) percent per month. This charge will accrue whether or not Franchisor or Franchisee exercise their respective rights to terminate this Agreement pursuant to Article 13 hereof.

4.14 Application of Payments. All payments by Franchisee pursuant to this Article 4 will be applied in such order as Franchisor may designate from time to time. Franchisee agrees that it may not designate an order for application of any fees different from that designated by Franchisor and expressly acknowledges and agrees that Franchisor may accept fees paid pursuant to different instructions without any obligation to follow such instructions, even if such payment is made by its terms conditional on such instructions being followed. This provision may be waived only by written agreement signed by Franchisor, which written agreement must be separate from the check or other document or medium constituting or transmitting payment.

4.15 Taxes on Payments and Currency. In the event that any taxing authority, wherever located, imposes any future tax, levy, or assessment on any payment Franchisee makes to Franchisor, (excluding income tax) Franchisee must, in addition to all payments due to Franchisor, pay such tax, levy, or assessment. All fees and other amounts due Franchisor, or any affiliate thereof, under this Agreement, or any other agreement related to Franchisee's ownership or operation of the Franchised Business, are stated in United States dollars and must be paid in United States dollars.

4.16 Computer System Corruption Fee. If Franchisee fails to maintain computer virus protection software in accordance with Franchisor's requirements and the Brand Standards Manual, on any computer it uses to access Franchisor's computer network, and any virus, malware or similar issues are transmitted to Franchisor's computer network as a result of Franchisee's failure, Franchisee shall pay a fee in the amount of the fees charged by outside vendors and verifiable internal expenses in relation to the issue per occurrence.

4.17 Insufficient Funds, Closed Accounts, and Other Payment Issues. It is the responsibility of the Franchisee to maintain an account or credit card on file with the Franchisor to properly ACH, Charge, or Debit any applicable fees owed to the Franchisor. It is the responsibility of the Franchisee to ensure that proper balances are available to cover any and all fees that may be pulled, charged, or debited. In the event that the Franchisee uses the payment method on file for the Franchisee, and the amounts are unable to be charged by the Franchisor for any reason, a fee of Fifty Dollars (\$50) per occurrence will be charged to the account of the Franchisee. Upon notice of the inability to charge the account, the Franchisee shall have fifteen (15) days to remedy the issue and submit updated information for the Franchisor to resubmit any and all charges. In the event that the issue is not remedied, or a Franchisee refuses to remit an acceptable payment method for the Franchisor to keep on file, a fee of Fifty Dollars (\$50) will be charged to the account of the Franchisee every fifteen (15) days, until the issue is resolved.

4.18 Subcontractors and Subcontracted Services. Subcontracted services are defined as services performed by a third party, which may or may not be affiliated directly or indirectly with the

Franchisee(s), that are not performed directly by the Franchisee. Subcontracted services do not include: (i) All current and future services and/or products, whether subcontracted or not; (ii) Any service where the Franchisee directs or directly compensates any individual providing the service(s) or product(s).

The royalty on all subcontracted services will follow the royalty model in Section 4.4.1. The Franchisee may apply for a full credit of the amount paid by the Franchisee for subcontracted work performed. This submission will need to include an itemized service order or bill from the subcontractor, proof of payment by the Franchisee, and a copy of the insurance certificate that is needed according to Section 16.1.9. In the event that this information is not received, the credit will not be issued. Franchisor reserves the right to request additional information to verify the service(s) and/or product(s) performed/provided. Franchisor in its sole discretion will determine what products and services will qualify for the credit after receiving all supporting documentation requested. Additionally, supporting documentation must be submitted within 30 days from being charged for the royalty on the subcontracted services. The royalty credit issued will be based on the royalty model in Section 4.4.1. The difference between the calculated royalty with and without the paid portion of the subcontracted service(s) and/or product(s), will be the credited amount. There is no flat percentage that will be applied for the credit, and a credit will not be issued in the event that the Franchisee's monthly gross revenue in the period of the subcontracted amount is not above a level to exceed the minimum royalty based on unit count.

5. LICENSED MARKS

5.1 **Ownership.** Franchisee expressly acknowledges Franchisor's rights in and to the Licensed Marks and agrees not to represent in any manner that Franchisee has acquired any ownership rights in the Licensed Marks. Franchisee agrees not to use any of the Licensed Marks or any marks, names or indicia which are or may be confusingly similar in its own corporate or business name, e-mail address or domain name except as authorized in this Agreement. Franchisee further acknowledges and agrees that any and all goodwill associated with the Green Home Solutions System and identified by the Licensed Marks will inure directly and exclusively to the benefit of Franchisor and that, upon the termination or expiration of this Agreement for any reason, no monetary amount will be assigned as attributable to any goodwill associated with Franchisee's use of the Licensed Marks.

5.2 **Authorized Use.** Franchisee understands and agrees that any use of the Licensed Marks other than as expressly authorized by this Agreement, without Franchisor's prior written consent, may constitute an infringement of Franchisor's rights therein and that the right to use the Licensed Marks granted herein does not extend beyond the expiration or termination of this Agreement. Franchisee expressly covenants that, during the term of this Agreement and thereafter, Franchisee will not, directly or indirectly, commit any act of infringement or contest or aid others in contesting the validity of Franchisor's right to use the Licensed Marks or take any other action in derogation thereof. Franchisee must identify itself as the owner of the Franchised Business (in the manner Franchisor prescribes) in conjunction with any use of the Licensed marks including, without limitation, on invoices, contracts, timesheets, checks, receipts, and business stationary, as well as such conspicuous locations as Franchisor may designate in writing at the premises of the Franchised Business.

5.3 **Infringement.** Franchisor will have the sole right to handle disputes with third parties concerning Franchisor's ownership of, rights in, or Franchisee's use of, the Licensed Marks or the Green Home Solutions System. Franchisee must immediately notify Franchisor in writing if Franchisee receives notice, or learns, of any: (i) improper use of any of the Licensed Marks or elements of the Green Home Solutions System; (ii) use by any third party of any mark, design, logo or commercial symbol which, in Franchisee's judgment, may be confusingly similar to any of the Licensed Marks; (iii) use by any third party of any business practice which, in Franchisee's judgment, unfairly simulates the Green Home

Solutions System in a manner likely to confuse or deceive the public; or (iv) claim, challenge, suit or demand asserted against Franchisee based on Franchisee's use of the Licensed Marks or the Green Home Solutions System. Franchisor will have the right to take any action it deems appropriate, including, without limitation, to take no action, and the sole right to control any legal proceeding or negotiation arising out of any infringement, challenge or claim or otherwise relating to the Licensed Marks or the Green Home Solutions System. Franchisee must not settle or compromise any claim, suit or demand asserted against it and agrees to be bound by Franchisor's decisions in handling disputes regarding the Licensed Marks and the Green Home Solutions System. Franchisee must cooperate fully with Franchisor and execute any documents and perform any actions that, in Franchisor's judgment, may be necessary, appropriate, or advisable in the defense of such claims, suits or demands and to protect and maintain Franchisor's rights in the Licensed Marks and the Green Home Solutions System. Unless it is established that a third-party claim asserted against Franchisee is based, directly or indirectly, on Franchisee's misuse of the Licensed Marks or the Green Home Solutions System, Franchisor agrees to defend Franchisee against the third-party claim, and hold Franchisee harmless from any claims or damages, provided Franchisee has notified Franchisor immediately after learning of the claim and fully cooperates in the defense of the action. Because Franchisor will defend the third-party claim, Franchisee is not entitled to be reimbursed for legal or other professional fees or costs paid to independent legal counsel or others in connection with the matter. Franchisee, on behalf of itself and its owners, hereby waives any claim against Franchisor, Franchisor's Affiliates, and their respective officers, directors, shareholders, employees, and agents based on third party claims involving the Licensed Marks or the Green Home Solutions System including, without limitation, for lost profits or consequential damages of any kind.

5.4 Operation Under Licensed Marks. Franchisee must use only the Licensed Marks which Franchisor designates and must use them only in the manner Franchisor authorizes and permits. Franchisee further agrees and covenants to operate and advertise only under the names or marks from time to time designated by Franchisor for use by similarly situated franchisees of Franchisor; to adopt and use the Licensed Marks solely in the manner prescribed by Franchisor, to refrain from using the Licensed Marks to perform any activity or to incur any obligation or indebtedness in such a manner as may, in any way, subject Franchisor to liability therefore; to observe all laws with respect to the registration of trade names and assumed or fictitious names, to include in any application therefore a statement that Franchisee's use of the Licensed Marks is limited by the terms of this Agreement, and to provide Franchisor with a copy of any such application and other registration document(s); to observe such requirements with respect to trademark and service mark registrations and copyright notices as Franchisor may, from time to time, require, including, without limitation, affixing "SM," "TM," or "®" adjacent to all such Licensed Marks in any and all uses thereof; and to utilize such other appropriate notice of ownership, registration and copyright as Franchisor may require. The Franchisee shall not use the Licensed Marks or any part or form thereof as part of the Franchisee's corporate or other legal name.

5.5 Modification/Replacement of Licensed Marks. Franchisor reserves the right to designate one or more new, modified or replacement Licensed Marks for use by franchisees and to require the use by Franchisee of any such new, modified or replacement Licensed Marks in addition to or in lieu of any previously designated Licensed Marks. Any expenses or costs associated with the use by Franchisee of any such new, modified or replacement Licensed Marks will be the sole responsibility of Franchisee.

5.6 Non-Exclusive License. The license of the Licensed Marks granted to Franchisee herein is nonexclusive and Franchisor retains the right, among others, to (i) use the licensed marks itself in connection with selling products and services; (ii) grant other licenses for the Licensed Marks; and (iii) develop and establish other systems using the Licensed Marks, similar marks, or any other marks, and to grant licenses thereto without providing any rights therein to Franchisee.

6. STANDARDS OF OPERATION

6.1 **Site Location and Lease of Premises.** Franchisee may operate the Franchised Business from a home office, or at Franchisee's option, may secure real estate, by purchase or lease, for the operation of the Franchised Business. Within ninety (90) days of the Effective Date of this Agreement, Franchisee agrees to acquire a proposed location (the "Premises") for the Franchised Business that is acceptable to Franchisor. If Franchisee does not operate the Franchised Business from a home-based office, Franchisee agrees to use the Premises solely for the operation of the Franchised Business in the manner and pursuant to the standards prescribed herein, in the Brand Standards Manual or otherwise in writing, and to refrain from using or permitting the use of the Premises for any other purpose or activity at any time.

6.2 **Opening of the Franchised Business.** Franchisee must open its ~~Green Home Solutions business~~Franchised Business for business within ninety (90) days of the Effective Date of this Agreement. The opening of your ~~Green Home Solutions business~~Franchised Business shall be referred to herein as the "Opening Date".

6.3 **Quality Standards for Fixtures, Equipment and Supplies.** All fixtures, equipment, vehicles and supplies for the Franchised Business must meet the quality standards set forth in Franchisor's Brand Standards Manual or otherwise in writing, subject to compliance with applicable laws and regulations.

6.4 **Signage.** Subject to compliance with applicable laws and regulations, Franchisee must acquire all signs as required by Franchisor for use at or in connection with the Franchised Business and the Service Vehicle.

6.5 **Certification.** Prior to the Opening Date and within thirty (30) days of signing this Agreement, Franchisee must commence Franchisor's initial certification program ("Initial Certification"). Franchisee and its designated and approved Manager must complete Franchisor's Initial Certification program to the satisfaction of Franchisor. Failure to complete the Initial Certification to Franchisor's satisfaction may result in the termination of this Agreement.

6.5.1. To assist Franchisee in the operation of Franchisee's business, Franchisor may offer additional certification programs and/or refresher courses to Franchisee, Franchisee's Manager and/or Franchisee's technicians. Franchisee must attend and satisfactorily complete the certification program on any new products or services offered by Franchisor as a condition to receiving Franchisor's permission to offer those products and services to customers. Franchisor may require Franchisee's attendance at these programs and/or courses. Franchisee is responsible for the expenses of Franchisee, and Franchisee's employees, including transportation to and from the -site and lodging, meals, and salaries during such certification program. The additional certification programs and refresher courses will be at Franchisor's then-current tuition for such certification program.

6.5.2 Franchisee is required to attend a minimum of three (3) days of primary protocol certification every 24 months of operation, at a minimum, and additional certification programs if required by Franchisor with major protocol changes or new services offered. Franchisee is responsible for the expenses of Franchisee, and Franchisee's employees, including transportation to and from the certification site and lodging, meals, and salaries during such programs.

6.6 **Hiring and Supervision.**

6.6.1 Franchisee will have sole authority and control over the day-to-day activities of its employees. As noted in Section 6.6.4, Franchisee is solely responsible for all hiring, firing and disciplinary actions in connection with its employees. Franchisee must hire and always maintain enough qualified, competent personnel, in order to offer prompt, courteous and efficient service to the public, and otherwise operate the Franchised Business in compliance with the System. To protect and maintain the goodwill of the Marks and the System, all employees, engaged in the operation of Franchisee's Franchised Business during working hours must dress conforming to Franchisor's standards, must present a neat and clean appearance (wearing Franchisor's uniforms) in conformance with Franchisor's reasonable standards and must render competent professional service to the customers of Franchisee's business. All technicians must be appropriately licensed where required and must pass a drug screen (unless prohibited by law) prior to their hiring.

6.6.2 The Franchised Business must be under the supervision of the Franchisee (or, if the Franchisee is a business entity, the Franchisee's designated and fully trained Manager) who will devote his or her full time and energy to the operation of the Franchised Business.

6.6.3 Franchisor must employ a designated Manager for each entity.

6.6.4 Franchisee is solely responsible for all employment decisions of the Franchised Business, including hiring, firing, training, promotion, pay rates, wage and hour requirements, recordkeeping, scheduling, supervision, and discipline of employees. All employees must pass any applicable tests required by any governmental entity, submit to pre-employment and random drug tests (unless prohibited by law), and have a criminal background investigation performed. Franchisee is responsible and assumes liability for all hiring decisions. We will Franchisee agrees and acknowledges that Franchisor is not ~~be~~ considered ~~asa~~ "joint-employers" of any of ~~your~~ Franchisee's employees.

6.7 Maintenance of Premises and Vehicles. Franchisee agrees to maintain the Premises, and all fixtures, furnishings, signs, and equipment thereon, in conformity with Franchisor's then-current standards at all times during the term of this Agreement and to make such repairs and replacements thereto as Franchisor may require. Without limiting the generality of the foregoing, Franchisee specifically agrees:

6.7.1 To keep the Premises and all Service Vehicles at all times in a high degree of repair, order and condition, including, without limitation, replacement of, and/or maintenance and repair to, all fixtures, furnishings, signs and equipment as Franchisor may from time to time reasonably direct;

6.7.2 To meet and maintain at all times all governmental standards and ratings applicable to the operation of the Franchised Business or such higher minimum standards and ratings as set forth by Franchisor from time to time in its Brand Standards Manual or otherwise in writing; and

6.7.3 To cause its employees to wear apparel which conforms strictly to the specifications, design, color, and style approved by Franchisor from time to time.

6.8 Operation of the Franchised Business. Franchisee agrees to comply with all rules, regulations, policies, and standards for the Green Home Solutions System, which by their terms are mandatory, including, without limitation, those contained in the Brand Standards Manual. Franchisee must operate and maintain the Franchised Business solely in the manner and pursuant to the standards prescribed herein, in the Brand Standards Manual or in other written or electronically published materials provided by Franchisor to Franchisee from time to time and must make such repairs and replacements to the Premises and the Service Vehicle(s) as Franchisor may require to ensure that Franchisor's required degree of quality,

service and image is maintained and must refrain from deviating therefrom and from otherwise operating in any manner which adversely reflects on Franchisor's name and goodwill or on the Licensed Marks. Without limiting the generality of the foregoing, Franchisee specifically agrees as follows:

6.8.1 To purchase, install and use, at Franchisee's expense, all such fixtures, furnishings, signs, and equipment, all as may be required by Franchisor, as Franchisor may prescribe from time to time and to refrain from purchasing, installing or using on, about or in connection with the Premises any such item not meeting Franchisor's standards and specifications.

6.8.2 To maintain in sufficient supply, and use at all times, only operating products, materials, supplies and expendables, as conform with Franchisor's then-current standards and specifications and to refrain from using non-conforming items without Franchisor's prior consent.

6.8.3 To sell and to offer for sale all such services and products as Franchisor may, from time to time require, and only those which Franchisor may, from time to time approve, which are not subsequently disapproved, as meeting its quality standards and specifications. In addition to any remodeling, repairs, replacement, and redecoration required by this Article 6, in order to introduce new services and product through all ~~Green Home Solutions businesses~~ Franchised Businesses, Franchisee may be required to expend additional amounts on new, different or modified software, equipment or fixtures necessary to offer such new services or products.

6.8.4 To purchase or lease a vehicle (the "Service Vehicle") for use by Franchisee's technician that meets Franchisor's then-current requirements. Franchisor reserves the right to require Franchisee to purchase or lease specified makes and models of vehicle for its Service Vehicle, and to specify the maximum age and condition for the Service Vehicle.

6.8.5 To use such standardized accounting forms, accounting systems, reporting forms and other forms as may be developed from time to time by Franchisor and to file such forms with Franchisor in a timely manner as may be required by Franchisor.

6.8.6 To record all billings and maintain all business information and records associated with the Franchised Business using the reporting systems, business management software, and associated equipment specified by Franchisor in the Brand Standards Manual and to maintain, without alteration, all information and categories required by Franchisor. Franchisee hereby authorizes Franchisor to access all information maintained by Franchisee whether by inspection of the Premises or through other means of electronic retrieval, as Franchisor deems necessary in its sole discretion at any time. Franchisee acknowledges that all of Franchisee's business information, customer information and customer lists are the property of Franchisor.

6.8.7 To obtain and install and maintain, and upgrade as we require, at the Franchised Business, at Franchisee's sole cost and expense, all computer hardware and software Franchisor requires. Franchisee will use such computer systems and software to record all client information, for your accounting and bookkeeping functions, for scheduling, for Internet communication and email, for extranet programs, and as Franchisor may otherwise specify. Franchisee must obtain independent support for all hardware and software. Franchisee must obtain and maintain an approved Payment Card Industry (PCI) compliance program for the Franchised Business. Franchisor may suggest third party PCI compliance vendors to Franchisee, but Franchisee is solely responsible for its own PCI compliance at the Franchised Business. You must maintain an approved virus detection and cleaning software.

6.9 **Participation in Promotions.** Franchisee agrees to participate in system-wide and applicable regional promotions and advertising campaigns that Franchisor originates or approves. These may include promotions via the Internet, e-commerce, electronic media, or other media. Franchisee also agrees to participate at its sole expense in all client loyalty, gift certificate and similar programs created by Franchisor.

6.10 **Purchases.** Franchisee acknowledges and agrees that Franchisee's obligations set forth in this Agreement and the Brand Standards Manual are reasonable and necessary for the operation of the Franchised Business and to maintain uniformity throughout the Green Home Solutions System. Franchisee acknowledges that Franchisor may designate a sole approved supplier of any product and that Franchisor or Franchisor's affiliated companies may be the sole source of supply. **FRANCHISEE UNDERSTANDS AND AGREES THAT THE FRANCHISOR OR FRANCHISOR'S AFFILIATE(S) MAY BE THE SOLE APPROVED SUPPLIER OF ALL THE PRODUCTS THAT YOU MAY USE IN PROVIDING SERVICES TO CUSTOMERS OF YOUR FRANCHISED BUSINESS. FRANCHISEE UNDERSTANDS AND AGREES THAT FRANCHISOR OR FRANCHISOR'S AFFILIATE(S) ARE AND WILL LIKELY REMAIN THE SOLE SOURCE OF SUPPLY FOR THOSE PRODUCTS AND THAT FRANCHISOR OR FRANCHISOR'S AFFILIATE(S) WILL SET THE PRICE AT WHICH THOSE PRODUCTS ARE SOLD TO FRANCHISEE AND THAT FRANCHISOR AND ITS AFFILIATE(S) EXPECT TO GENERATE PROFITS FROM SUCH SALES.**

Franchisee is required to purchase and maintain a product inventory level sufficient to meet the current needs of its customers. Franchisee must adhere to the standards and specifications set forth in this Agreement and the Brand Standards Manual and any revisions or amendments to same. Franchisee must use signs, furnishings, supplies, fixtures, equipment and inventory, and marketing which comply with Franchisor's then-current standards and specifications (including, without limitation, standards and specifications for products, services, equipment, furnishings, advertising materials, fixtures, and signage) which Franchisor establishes from time to time. Franchisor has the right to change Franchisor's standards and specifications. Franchisee acknowledges that Franchisee may incur an increased cost to comply with such changes at Franchisee's expense.

6.10.1 Recognizing that preservation of the Green Home Solutions System depends upon product and service uniformity and the maintenance of Franchisor's trade dress, Franchisee agrees to purchase certain signs, furnishings, supplies, fixtures, equipment, inventory, and all items bearing the Marks or logo exclusively from Franchisor or from approved or designated third party suppliers as Franchisor specifies, from time to time, in the Brand Standards Manual and otherwise in writing. Franchisee hereby acknowledges that Franchisor, Franchisor's affiliate and/or a third party may be one of several, or the only, approved supplier of any item.

6.10.2 In the event Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor with the name, address, and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and purchase price of the item, if known. Franchisee also must pay Franchisor the current Supplier Evaluation Service Fee as described in Section 4.7. At Franchisor's request, Franchisee must provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee or the supplier must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Nothing in the foregoing will be construed to require Franchisor to approve any supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only

directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Nothing herein will require Franchisor to approve any suppliers for a given item, which approval might, in Franchisor's judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. Franchisor may revoke Franchisor's approval of products or suppliers when Franchisor determines that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such suppliers. Franchisee must use products purchased from approved suppliers solely in connection with the operation of Franchisee's business and not for any competitive business purpose.

Franchisor may establish business relationships, from time to time, with suppliers who may produce, among other things, certain furnishings, supplies, fixtures, equipment, and inventory according to Franchisor's proprietary standards and specifications or private label goods which Franchisor has authorized and prescribed for sale by System franchisees ("System Suppliers"). Franchisee recognizes that such products are essential to the operation of the Franchised Business and to the System generally. Franchisee further recognizes that Franchisee's failure to pay System Suppliers may interfere with such suppliers' willingness to supply the System which may result in other System franchisees' inability to obtain product or ability to obtain product only on less favorable credit terms. Accordingly, Franchisee agrees to pay System Suppliers as and when due.

6.11 Hours of Business. Unless otherwise specifically approved by Franchisor, Franchisee's business must be open for the conduct of business at such times and for the minimum number of hours specified by Franchisor in the Brand Standards Manual, as may be amended from time to time or, if different, for such hours as may be required by the terms of any lease of the Premises; and Franchisee must at all times staff the Franchised Business with such number of employees and operate the Business diligently so as to maximize the revenues and profits therefrom.

6.12 Printed Materials. Franchisee must use only business stationery, business cards, marketing materials, advertising materials, printed materials or forms which have been approved in advance by Franchisor. Any and all supplies or materials purchased, leased, or licensed by Franchisee must always meet those standards specified by Franchisor in the Brand Standards Manual or otherwise in writing. Franchisor also reserves the right to specify the useful life or promotional timeline of the advertising materials and additionally where they can be purchased to adhere to brand standards.

6.13 Identification of the Franchised Business. In all advertising displays and materials at the Franchised Business, Franchisee must, in such form and manner as may be specified by Franchisor in the Brand Standards Manual, notify the public that Franchisee is operating the [Franchised](#) Business licensed hereunder as a Franchisee of Franchisor and must identify its ~~Green Home Solutions~~[Franchised](#) Business in the manner specified by Franchisor in the Brand Standards Manual. Franchisee will also post a notice at its Franchised Business notifying all its employees that they are employees of Franchisee and not Franchisor in the manner prescribed by Franchisor.

6.14 Client Complaints. Franchisee must respond promptly to client complaints and take such other steps as may be specified by Franchisor in the Brand Standards Manual or otherwise to ensure positive client relations.

6.15 Third Party Actions. Franchisee must notify Franchisor in writing within five (5) days of any written threat or the actual commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the Franchised Business.

6.16 Inspection of the Business Premises. Franchisee hereby grants to Franchisor and its agents the right to enter upon the Premises, without notice, at any reasonable time for the purpose of conducting inspections of the Premises, Franchisee's books, records, computer hardware and software, and other business equipment and vehicles, and Franchisee agrees to render such assistance as may reasonably be requested and to take such steps as may be necessary immediately to correct any deficiencies detected during such an inspection upon the request of Franchisor or its agents.

6.17 Possible Variation in Certain Standards. Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege to vary standards for any franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, licensing requirements, existing business practices or any other conditions which Franchisor deems to be of importance to the successful operation of such franchisee's business. Franchisee will have no recourse against Franchisor on account of any variation from standard specifications and practices granted to any franchisee and will not be entitled to require Franchisor to grant Franchisee a like or similar variation hereunder.

6.18 Attendance at Annual Convention and Meetings. Franchisor may hold an annual convention (the "Annual Convention") at a location we select. We will determine the topics and agenda for the Annual Convention to serve the purpose among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and our personnel regarding business operations, and recognizing franchisees for their achievements. You must pay our then-current registration fee for the Annual Convention, not more than \$1,000. One representative of the Franchisee per 750,000 people in the Franchisee's Territory must attend the Annual Convention; you may send additional representatives to the Annual Convention with our approval, and you must pay a separate fee, published by us from time to time, per additional representative sent to the Annual Convention. If we charge a registration fee for the Annual Convention, you must pay the fee regardless of whether you attend. All expenses, including Franchisee's transportation to and from the Annual Convention, and lodging, meals, and salaries during the Annual Convention, are the responsibility of Franchisee. In addition to the Annual Convention, we may hold a mid-year meeting and quarterly meetings, each at locations selected by us. You must send at least one representative to these meetings. You shall be solely responsible for all expenses for travel, lodging, food, salaries, and other expenses incurred to attend these meetings.

6.19 Intellectual Property Belongs to Franchisor. If Franchisee, Franchisee's employees, or principals develop any new concept, process or improvement in the operation or promotion of the Franchised Business, or the Green Home Solutions System, Franchisee will promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process, or improvement will become Franchisor's sole property and Franchisor will be the sole owner of all patents, patent applications, trademarks, copyrights, and other intellectual property rights related thereto. Franchisee and Franchisee's principals hereby assign to Franchisor any rights Franchisee may have or acquire therein, including the right to modify such concept, process, or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and Franchisee's principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process, or improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Franchisee and Franchisee's principals hereby irrevocably designate and appoint Franchisor as Franchisee's agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process, or improvement. In the event that the foregoing provisions of this Section 6.19 are found to be invalid or otherwise unenforceable, Franchisee and Franchisee's principals hereby grant to Franchisor a worldwide,

perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process, or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

6.20 **Personal Guaranty of Franchisee's Owners and Spouses.** Franchisee covenants, warrants, and agrees that when Franchisee signs this Agreement, and at all times thereafter, Franchisee will cause each owner in Franchisee, (each, a "Owner") and each respective spouse, if any, and each successor to any or all of them, to execute and deliver, in his or her individual capacity, the form of Personal Guaranty attached to this Agreement as Schedule "E".

6.21 **Compliance with Laws.** Franchisee will operate the Franchised Business in strict compliance with all applicable federal, state, and local statutes, regulations, rules and ordinances. Franchisee will: (i) strictly comply with all applicable wage, hour, anti-discrimination, and anti-harassment laws, and the Americans with Disabilities Act, as amended from time to time; and the successor legislation to any and all of them; (ii) duly file all tax returns Franchisee is required to file; (iii) duly pay all taxes Franchisee is obligated to pay; and (iv) obtain and maintain in good standing all necessary licenses, permits, and other required forms of governmental approval required of Franchisee in order to operate the Franchised Business. You must furnish us with copies of all licenses upon our request.

6.22 **Patriot Act Compliance.** Franchisee hereby covenants, warrants, agrees, represents, and certifies to Franchisor that neither Franchisee nor any of Franchisee's directors, officers, shareholders, partners, members, employees, or agents, nor any of Franchisee's affiliates, or their directors, officers, shareholders, partners, members, employees, or agents, nor any other direct or indirect interest holders of any of the foregoing: (i) are or have been listed on any Governmental Lists (as defined in Paragraph 6.22.1 of this Agreement); (ii) are or have been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No.13224 (Sept. 23, 2001), or any other similar prohibitions contained in the rules and regulations of OFAC (as defined in Paragraph 6.22.2 of this Agreement) or in any enabling legislation or other Presidential Executive Orders in respect thereof; (iii) have been indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any offenses under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA Patriot Act"); (iv) are or have been under investigation by any Governmental Authority (as defined in Paragraph 7.5.3 of this Agreement) for alleged criminal activity; or (v) have or have had a reputation in the community for criminal or unethical behavior. As used in this Paragraph 6.22 of this Agreement, the following definitions apply:

6.22.1 "Governmental Lists" means any of the following lists: (i) the "Specially Designated Nationals and Blocked Persons List" maintained by OFAC; (ii) any other list of terrorists, terrorist organizations, or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC; or (iii) any similar list maintained by the United States Department of State, the United States Department of Commerce, or any other Governmental Authority, or pursuant to any Executive Order of the President of the United States.

6.22.2 "OFAC" means the Office of Foreign Assets Control, United States Department of the Treasury, or any other office, agency, or department that succeeds to the duties of OFAC.

6.22.3 "Government Authority" means all federal, state, local, foreign, or other governmental or regulatory agencies, authorities (including self-regulating authorities), instrumentalities, commissions, boards, and bodies.

6.23 **Warranty for Services Performed.** You must offer your customers a limited one-year warranty for mold cleaning services that you perform. The warranty must provide for the re-treatment of the remediated areas in an amount up to the original price of the treatment. You are responsible to ensure that the warranty complies with the law of the state, city, or county in which the services were performed.

7. BRAND STANDARDS MANUAL

7.1 **Compliance with Brand Standards Manual.** In order to protect the reputation and goodwill of the Businesses operating under the Green Home Solutions franchise system and to maintain standards of operation under the Licensed Marks, Franchisee must conduct the Franchised Business operated under the System in accordance with various written instructions, including technical bulletins and confidential manuals (hereinafter and previously referred to collectively as the “Brand Standards Manual”), including such amendments thereto, as Franchisor may publish from time to time, all of which Franchisee acknowledges belong solely to Franchisor and are on loan from Franchisor during the term of this Agreement. When any provision in this Agreement requires that Franchisee comply with any standard, specification or requirement of Franchisor, unless otherwise indicated, such standard, specification or requirement will be as set forth in this Agreement or as may, from time to time, be set forth by Franchisor in the Brand Standards Manual.

7.2 **Confidential Use.** Franchisee must always use its best efforts to keep the Brand Standards Manual and any other manuals, materials, goods and information created or used by Franchisor and designated for confidential use within the Green Home Solutions System and the information contained therein as confidential and limit access to employees of Franchisee on a need-to-know basis. Franchisee acknowledges that the unauthorized use or disclosure of Franchisor’s confidential information or trade secrets will cause irreparable injury to Franchisor and that damages are not an adequate remedy. Franchisee accordingly covenants that it will not at any time, without Franchisor’s prior written consent, disclose, use, permit the use thereof (except as may be required by applicable law or authorized by this Agreement), copy, duplicate, record, transfer, transmit or otherwise reproduce such information, in any form or by any means, in whole or in part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not known about the System and Franchisor’s products, services, standards, procedures, techniques and such other information or material as Franchisor may designate as confidential will be deemed confidential for purposes of this Agreement.

7.3 **Revisions.** Franchisee understands and acknowledges that Franchisor may, from time to time, revise the contents of the Brand Standards Manual to implement new or different requirements for the operation of the Franchised Business, and Franchisee expressly agrees to comply with all such changed requirements which are by their terms mandatory, provided that such requirements will also be applied in a reasonably nondiscriminatory manner to comparable businesses operated under the Green Home Solutions System by other franchisees. Franchisee acknowledges that Franchisor may provide updates to the Brand Standards Manual electronically over its website. Franchisee agrees, therefore, to periodically check Franchisor’s website on at least a weekly basis, for such updates. The implementation of such requirements may require the expenditure of reasonable sums of money by Franchisee. Franchisee must always ensure that its copy of the Brand Standards Manual is kept at the Premises and kept current and up to date. In the event of any dispute as to the contents thereof, the terms and dates of the master copy thereof maintained by Franchisor at its principal place of business will be controlling.

8. ADVERTISING AND MARKETING

8.1 **Brand Development Fund.** Franchisee must contribute the amount specified in Section 4.6 herein (the “Brand Development Fund Fee”) to our Brand Development Fund. The Brand Development

Fund Fee is in addition to the Local Advertising Requirement. The Brand Development Fund Fee is due and is payable in the same manner as the monthly Royalty Fee. Franchisor and Affiliate owned Green Home Solutions businesses will contribute to the Brand Development Fund in the same manner and in the same amounts as Franchised Businesses are required to contribute under this Agreement. Franchisor or Franchisor's designee, which may be our affiliate, will maintain and administer the Brand Development Fund, as follows:

8.1.1 Franchisor will direct all Brand Development Fund marketing programs with sole discretion over the creative concepts, materials, media placement, and allocation of funds.

8.1.2 Franchisee understands and agrees that the Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the Green Home Solutions System and that Franchisor and Franchisor's designees have no obligation in administering the Brand Development Fund to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee or geographic region benefits directly or pro rata from Brand Development Fund advertising or promotional activities.

8.1.3 The Brand Development Fund may be used to meet any and all costs of preparing, maintaining, and administering advertising and promotional programs, including without limitation: (i) the cost of preparing and conducting television, radio, magazine, newspaper, direct mail, Internet advertising campaigns, and other advertising and promotional activities; (ii) employing advertising and public relations agencies; (iii) providing promotional brochures, and other advertising and marketing tools and materials; (iv) the establishment of a customer call center; and (v) paying the reasonable compensation of Franchisor's employees or other third parties providing services related to any activity relating to the Brand Development Fund. Franchisor will not use money from the Brand Development Fund to pay any of Franchisor's general operating expenses except for reasonable administrative costs, out-of-pocket expenses, and overhead that relates to the administration or direction of the Brand Development Fund and advertising or promotional programs, including without limitation conducting market research, preparing marketing and advertising materials, collecting and accounting for assessments for the Brand Development Fund, and defending any claims against the Brand Development Fund. Franchisor does not have any obligation to Franchisee or any other contributor to the Brand Development Fund to take action to collect delinquent contributions from other Brand Development Fund contributors. The Brand Development Fund shall not be used to advertise the sale of franchises; however, advertising and promotional materials, including Franchisor's web site may contain information or designated pages that reference the availability of Green Home Solutions franchise opportunities.

8.1.4 Franchisor reserves the right to terminate the Brand Development Fund at any time, provided, however, no termination will be effective until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to their contributors in proportion to their contributions.

8.1.5 Franchisor will prepare an accounting of the books of the Brand Development Fund annually and will provide you with a copy of such accounting upon Franchisee's written request. Franchisor reserves the right, at Franchisor's option, to require that such annual accounting be prepared by an independent certified public accountant selected by Franchisor and paid for by the Brand Development Fund.

8.1.6 Franchisee acknowledges and agrees that Franchisor will not be acting as, and shall not be charged with being or construed to be, a trustee, fiduciary, agent, or in any other special capacity in relation to the Brand Development Fund, to Franchisee or to any other contributor to the Brand Development Fund.

8.2 **Cooperative Advertising and/or other Marketing Programs.** Franchisee must participate in all cooperative advertising and/or marketing programs as are from time to time prescribed by Franchisor. The terms and conditions required for participation in any such co-op advertising program or programs will be as specified in the Brand Standards Manual.

8.3 **Opening Advertising; Local Advertising.** Franchisee shall spend at least \$10,000 on advertising and promoting the Franchised Business for the first six (6) months after this Agreement is signed. Thereafter, Franchisee shall spend a reasonable amount to promote the Franchised Business in the Protected Territory. This expenditure does not include the Brand Development Fund contribution and costs associated with website management.

8.4 **Franchisor's Control Over Advertising Materials.** Franchisee must use only advertising and marketing materials that Franchisor has provided to Franchisee or that Franchisor has approved in advance. In the event Franchisee desires to use advertising and marketing materials that Franchisor has provided to Franchisee, Franchisee must submit to Franchisor a description of the media in which Franchisee proposes to use them for Franchisor's consent prior to such use. Franchisor will have ten (10) days in which to approve or disapprove the use of such materials in the media proposed. If Franchisor does not approve the use of such materials within ten (10) days after Franchisor receives them from Franchisee, they will be deemed not approved. In the event Franchisee desires to use advertising and marketing materials that Franchisor has not provided, Franchisee must submit such advertising and promotional materials, together with a description of the media in which Franchisee proposes to use them, to Franchisor for Franchisor's review prior to such use. Franchisor will have ten (10) days in which to approve or disapprove such materials and their use in the media proposed. If Franchisor does not approve the use of such materials or media within ten (10) days after we receive them from you, they will be deemed not approved. All advertising must prominently display the Licensed Marks and must comply with any standards for use of the Licensed Marks Franchisor establishes as set forth in the Brand Standards Manual or otherwise in writing. Franchisor may require Franchisee to discontinue the use of any advertising or marketing material, within time frames prescribed by Franchisor, at Franchisee's sole cost and expense. Franchisee acknowledges and agrees that all advertising materials provided by Franchisor on behalf of the System are protected by copyright and are Franchisor's exclusive property.

8.5 **Franchisor's Control Over Print, Web, Televised and Other Media.** In the event that the Franchisee is approached to provide advertising, expertise, or interviews for national, local or other sources, Franchisee must contact Franchisor for explicit permission to carry out the request. Franchisor will have ten (10) days in which to approve or disapprove the request. If Franchisor does not approve the request within ten (10) days after Franchisor receives it from Franchisee, it will be deemed not approved. At the Franchisor's sole discretion, we can designate someone other than you, the Franchisee, to participate in the request or have another individual assist you in the request. Franchisee acknowledges and agrees that it is in the best interest of the Brand, to provide media outlets or other requests with the best professionals that we have to offer to promote the brand and properly represent the entire Green Home Solutions System.

8.6 **Website Matters** Franchisee may not establish or maintain a Web Site, splash page or other presence on the Internet through any internet or social networking site in connection with the operation of the Franchised Business, including, but not limited to Facebook, LinkedIn, Pinterest, Google Business Profile (Google My Business), TikTok, Twitter, Instagram, or YouTube, that uses any variation of the Marks or references the System. Franchisor will have sole control over the establishment and maintenance of any social networking sites for the Franchised Business. Franchisee may not establish social media accounts outside of what is established by the Franchisor. Franchisee is not permitted to use any Mark in any domain name that is not provided or pre-approved by Franchisor. Franchisor may establish a website

that provides information about the System and Franchisor's products and services. Franchisor may use part of the monies from the Brand Development Fund that Franchisor collects under this Agreement to pay or reimburse the costs associated with the development, maintenance, and update of such web site. Franchisor will be the webmaster, either directly or through a third party, or have the right to control such website. Franchisor owns the pages, marks, and assets of all websites and social networking accounts associated with the Franchised Business.

8.6.1 Franchisee acknowledges that Franchisor is the lawful, rightful, and sole owner of the Internet domain name www.greenhomesolutions.com and other Internet domain names registered by Franchisor, and unconditionally disclaims any ownership interest in those or any similar Internet domain name. Franchisee agrees not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by Franchisor or Franchisor's affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

9. MODIFICATIONS.

9.1 **Modifications to the Green Home Solutions System.** Franchisee agrees that Franchisor may modify all or any part of the System to adapt to changes in the marketplace, economic conditions, business conditions, the law, demands of consumers, Franchisor's business needs, and the needs of the System. Franchisee further agrees that such modifications may include additions to, deletions from, or modifications to the products and services Franchisee offers for sale or delivers through the Franchised Business; modifications to any or all the rules, guidelines, standards, specifications, plans, programs, methods, techniques, and procedures related to the Franchised Business; and additions, deletions, from, and modifications of the Marks. Franchisee agrees that it expects Franchisor to change the System and warrants, covenants, and agrees to comply with all rules, guidelines, standards, specifications, plans, programs, methods, techniques, procedures, and confidential Brand Standards Manuals, related to the System, as we add to, delete from, and modify any or all of them from time to time, and with this Agreement. Franchisor agrees that such additions to, deletions from, and modifications of such rules, guidelines, standards, specifications, plans, programs, methods, techniques, procedures, and Confidential Brand Standards Manuals, will not materially and unreasonably increase Franchisee's obligations set forth in this Agreement. Notwithstanding the foregoing, the addition of other products and services to the System may result in additional minimum product purchase requirements and the purchase of additional equipment by Franchisee. Franchisee, shall, however, not be required to add additional optional product or service offerings to its Franchised Business. Should, however, Franchisee add additional authorized product or service offerings, Franchisor and Franchisee shall enter into an addendum to this Agreement, which shall specify the applicable Continuing Royalty and Minimum Product Purchase requirements applicable to those additional product or service offerings. Franchisor reserves the right to change or modify the Licensed Marks. Franchisor may adopt and use new or modified trade names, trademarks, service marks, logos, equipment, software, products, techniques, or concepts. Franchisor may add new and different services and products and withdraw services or products or change their names or image; redesign the trade dress, software programs and equipment or fixture standards; or discontinue them as Franchisor considers appropriate. Franchisee must accept and use the changes as if they were part of this Agreement. If changes are related to the Licensed Marks, then Franchisee will have one hundred twenty (120) days from the date of notice to implement any such changes under this Section 9.1.

9.2 Modifications not Requiring Significant Changes in Fixtures or Equipment. If any changes or modifications involving services or products would not require the installation of new fixtures or equipment, Franchisor may instruct Franchisee to begin offering the new services or products on a date specified in a supplement to the Brand Standards Manual or other notice. Likewise, if the withdrawal of a service or product would not require the removal of fixtures or equipment, Franchisor may direct Franchisee to stop offering the service or product on a date specified in a supplement to the Brand Standards Manual or other notice. Franchisee agrees to comply with these instructions and directions.

9.3 Modifications Requiring Significant Changes in Fixtures or Equipment. If any changes or modifications involving new trademarks, concepts, services or products or items necessitate the addition or removal of fixtures, equipment or signs, or the acquisition of a new or different Service Vehicle, Franchisor may instruct Franchisee to adapt to the change through a supplement to the Brand Standards Manual. Franchisee will have one hundred twenty (120) days from the date of notice to implement any such changes under this Section 9.3.

9.4 Test Marketing. If Franchisor permits Franchisee to participate in any new service or product concept test, Franchisee agrees to do so in compliance with Franchisor's standards and requirements.

10. STATEMENTS, RECORDS AND FEE PAYMENTS

10.1 Maintenance of Records. Franchisee must obtain the right to use, maintain and update (including any required replacements) the accounting system prescribed by Franchisor in the Brand Standards Manual, or otherwise. Franchisee must, in a manner satisfactory to Franchisor, maintain original, full and complete register records, accounts, books, data, licenses, contracts and supplier invoices which will accurately reflect all particulars relating to Franchisee's business and such statistical and other information or records as Franchisor may require and keep all such information for not less than seven (7) years, even if this Agreement is no longer in effect. Upon Franchisor's request, from time to time, Franchisee must furnish Franchisor with copies of any or all supply invoices reflecting purchases by the Franchised Business. In addition, Franchisee must compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products sold by it or data of a similar nature as Franchisor may reasonably request for purposes of evaluating or promoting the Franchised Business or the Green Home Solutions System in general.

10.2 Examination of Records. Franchisor and its designated agents, including accountants and auditors, will have the right to examine and audit such records, accounts, books, and data at all reasonable times at the place(s) where such records, accounts, books, and data are maintained by or for Franchisee to ensure that Franchisee is complying with the terms of this Agreement. Franchisor has the right to have an independent third party audit the records, accounts, books, and data of Franchisee. If the examination reveals that any financial information Franchisee reported, and any amounts Franchisee paid Franchisor or its affiliates are less than the amounts Franchisor calculates, Franchisee must immediately pay Franchisor the amount owing in accordance with the corrected report, plus interest as provided in this Agreement. If the examination reveals a discrepancy of two (2%) percent or more of the amount that Franchisee should have paid or reported, or any other audit findings that reveal a breach of this Agreement, Franchisee also must pay and reimburse Franchisor for all expenses connected with the examination. This may include reasonable accounting and legal fees and travel expenses. Franchisor also may exercise any other remedies Franchisor may have under this Agreement.

10.3 **Reports.** Upon Franchisor's request, Franchisee will prepare and furnish Franchisor with signed reports and returns of customer billings, bank statements, monthly unaudited profit and loss statements, use and gross receipt taxes and complete copies of any state or federal income tax returns covering the operation of the Franchised Business and such other reports as Franchisor may reasonably request, all of which Franchisee must certify as true and correct.

10.4 **Unaudited Annual Statements.** In addition to the foregoing statements, within forty-five (45) days after the close of each fiscal year of Franchisee or at Franchisor's discretion, Franchisee must furnish to Franchisor financial statements which will include a statement of income and retained earnings, a statement of changes in financial position and a balance sheet of Franchisee, all as of the end of such fiscal year, which must be certified to by Franchisee as being true and correct.

11. COVENANTS NOT TO COMPETE AND MAINTAIN CONFIDENTIALITY

11.1 **Franchisee Defined.** Unless otherwise specified, the term "Franchisee" as used in this Article 11 will include, collectively and individually, all Owners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in Franchisee.

11.2 **Confidential Information.** For purposes of this Agreement, "Confidential Information" means any information that the Franchisor regards as confidential or proprietary. "Confidential Information" includes, but is not limited to, the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements relating to the Green Home Solutions System, the Brand Standards Manual, the methods of site selection, marketing methods, recruiting, service analysis and selection, service methods and skills, prospective and current customer information, employee information, and any other business information that is not generally known to Franchisor's competitors, as well as the content of this Agreement and any other document executed in connection with this Agreement.

11.3 **Non-Use and Non-Disclosure of Confidential Information.** Franchisee acknowledges that over the term of this Agreement, Franchisee will receive Confidential Information which Franchisor has developed over time and at great expense. Franchisee acknowledges and agrees that Franchisor's Confidential Information is not generally known in the industry and is beyond Franchisee's own present skills and experience, and that it would be expensive, time consuming and difficult for Franchisee to develop. Franchisee further acknowledges that Franchisor's Confidential Information provides a competitive advantage and would be valuable to Franchisee in the development of its business. Accordingly, Franchisee acknowledges that it will not, during the term of this Agreement or for a continuous period of twenty-four (24) months immediately following the expiration, transfer, or termination of this Agreement, use any Confidential Information for any purpose except to operate the Franchised Business. Franchisee will not disclose any Confidential Information to any individual, entity, or organization, except to any of Franchisee's representatives to the extent necessary for the operation of the Franchised Business, and only after the representatives are advised of the confidential nature of the information and agree to maintain its confidentiality.

Notwithstanding the foregoing, you are authorized to disclose the terms of this Agreement to any lender providing you financing for the Franchised Business as well as to your landlord. The protections granted hereunder will be in addition to and not in lieu of all other protections for such trade secrets and Confidential Information as may otherwise be afforded in law or in equity.

11.4 Non-Compete Covenants. Franchisee agrees that it will receive valuable certification, goodwill, and Confidential Information that it otherwise would not receive or have access to but for the rights licensed to it under this Agreement. Franchisee therefore agrees to the following non-competition covenants:

1. Franchisee covenants that during the term of this Agreement that it will not divert or attempt to divert any business, client or potential client or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or to do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Licensed Marks or the Green Home Solutions Franchise System.

2. Franchisee covenants that during the term of this Agreement that it will not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any business, other than the one authorized by this Agreement or any other agreement between Franchisor and Franchisee that would be considered to be a Competing Business. For purposes of this Section 11.4, a “Competing Business” is any business that provides (i) residential or commercial mold removal or cleaning services; (ii) odor management; or (iii) any product or service that Franchisee sold or offered to customers or prospective customers as part of the Green Home Solutions Franchise System during the term of this Agreement.

3. Franchisee covenants that it will not, for a period of twenty-four (24) months after the expiration, non-renewal, transfer or termination of this Agreement, regardless of the cause of termination, or within twenty-four (24) months of the sale of the Franchised Business or any interest in Franchisee, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any Competing Business within the Protected Territory or within ten (10) miles outside of the border of the Protected Territory of the former Franchised Business or within the border of the Protected Territory and ten (10) miles outside of the border of the Protected Territory of any other Green Home Solutions Franchisee existing as of the expiration, non-renewal, transfer or termination of the Agreement.

4. Franchisee covenants that it will not, for a period of twenty-four (24) months after the expiration, non-renewal, or termination of this Agreement, regardless of the cause of termination, or within twenty-four (24) months of the sale of the Franchised Business or any interest in Franchisee, solicit business from customers of Franchisee's former Franchised Business or from any National Account serviced by Franchisee during the term of this Agreement, or contact any of Franchisor's suppliers or vendors for any competitive business purpose, solicit business from any referral sources or business contacts for any competitive business purpose (including without limitation realtors, doctors or other health professionals, home inspectors, or other contacts or referral sources) whose contact information was obtained during and in connection with the operation of the Franchised Business, or solicit any of its former employees.

5. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. In the event any court of competent jurisdiction determines that the geographical limits, time period, or line of business defined by this Article 11 is unreasonable, Franchisee and Franchisor agree that such a court of competent jurisdiction may determine an appropriate limitation to accomplish the intent and purpose of this Section, and the parties, and each of them, agree to be bound by such determination.

11.5 **Limited Exclusion.** The restrictions contained in Section 11.4 will not apply to ownership of less than five percent (5%) of the shares of a company whose shares are listed and traded on a national securities exchange if such shares are owned for investment only, and are not owned by an officer, director, employee or consultant of such publicly traded company.

11.6 **Employees.** Franchisee must ensure that all of its principals, office and sales employees, and members of Franchisee's immediate family with access to Franchisor's Confidential Information execute a confidentiality and non-compete agreement in the form substantially similar to the agreement attached as Schedule "E" to this Agreement, or as Franchisor otherwise prescribes. Franchisee must furnish Franchisor a copy of each executed agreement.

12. TRANSFER AND ASSIGNMENT

12.1 **Transfer by Franchisor.** Franchisor will have the right to transfer all or any part of its rights or obligations herein to any person or legal entity, including to any competitor of Franchisor which agrees to assume Franchisor's obligations hereunder.

12.2 **Transfer by Franchisee.** Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee and that Franchisor has granted Franchisee the right to operate the Franchised Business in reliance on many factors, including, without limitation, the individual or collective character, skill, aptitude and business and financial capacity of Franchisee and Franchisee's principals. Accordingly, neither Franchisee nor any person owning any direct or indirect equity interest therein, will, without Franchisor's prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or any portion or aspect thereof, or any equity or voting interest in Franchisee (any such act or event is referred to as a "Transfer"). Any such purported Transfer occurring by operation of law or otherwise, including any assignment by a trustee in bankruptcy, without Franchisor's prior written consent will be a material default of this Agreement.

12.3 **Representations as to Ownership.** Franchisee represents that as of the execution of this Agreement its equity and voting control is owned as shown in Schedule "A" hereto. If Franchisee, or any approved successor thereof, is a partnership, limited liability company or privately held corporation, Franchisee will submit to Franchisor prior to any proposed Transfer of an equity or voting interest, and at any other time upon request, a list of all Owners reflecting their respective present and/or proposed direct or indirect interests in Franchisee, in such form as Franchisor may require.

12.4 **Conditions to Franchisor's Consent to Transfer.** Franchisee understands and acknowledges the vital importance of the performance of Franchisee to the market position and overall image of Franchisor. Franchisee also recognizes the many subjective factors that comprise the process by which Franchisor selects a suitable Franchisee. Franchisor will not unreasonably withhold its consent to a Transfer by Franchisee of any interest in the Franchised Business or any equity or voting interest in Franchisee and such consent will remain a subjective determination and will include, but not be limited to, the following conditions:

12.4.1 The transferee must demonstrate to Franchisor's sole satisfaction that it meets all of Franchisor's requirements for becoming a Franchisee, including, without limitation, that it meets Franchisor's financial, entrepreneurial, and managerial and business standards then in effect for similarly situated franchisees, possesses a good moral character, business reputation, and satisfactory credit rating,

will comply with all instruction and certification requirements of Franchisor and has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise).

12.4.2 As of the effective date of the proposed Transfer, all obligations of Franchisee hereunder and under any other agreements between Franchisee and Franchisor are fully satisfied.

12.4.3 Franchisee has satisfied all monetary obligations owed to Franchisor, its affiliates, and its designated suppliers.

12.4.4 Franchisee has been in substantial compliance with the Franchise Agreement and all other agreements between Franchisee and Franchisor, its affiliates, or its designated suppliers through the initial and any renewal term of this Agreement.

12.4.5 As of the effective date of the proposed Transfer, all obligations of the proposed transferee to the Franchisor, its affiliates, and designated suppliers (if any) must be fully satisfied.

12.4.6 As of the effective date of the proposed Transfer, the transferee must have the unconditional right to occupy the Premises.

12.4.7 The proposed transferee does not have an interest in a business which is competitive with the Franchised Business.

12.4.8 Franchisee or the transferee must pay to Franchisor the then current Transfer Fee (the "Transfer Fee").

12.4.9 The transferor must execute a general release under seal where required, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its parent, subsidiaries, affiliates and their officers, directors, attorneys, Owners and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances arising out of, or connected with, the performance of this Agreement in the form substantially similar to Schedule "F".

12.4.10 The proposed transferee must execute Franchisor's then-current form of franchise agreement, which may contain terms and conditions substantially different from those in this Agreement, for an initial term equal to the time remaining on the Initial Term of this Agreement as of the date of such Transfer or for a full initial seven (7) year term as determined by Franchisor, which will be provided in writing as requested by Franchisee when listing the Business for sale.

12.4.11 The transferee and/or its designated managerial personnel must have completed, to Franchisor's satisfaction, the training then required of comparable System franchisees.

12.4.12 The transferee must obtain all licenses and/or registrations necessary to operate the Franchised Business.

12.4.13 Franchisor may, depending on all the applicable circumstances, waive any of the above conditions and qualifications, especially for transfers among original Owners, transfers to trusts created for the benefit of a spouse or children, and transfers to family members.

12.4.14 Franchisee and Transferee agree to perform all maintenance and upgrades required to bring the Franchised Business up to Franchisor's then current standards, including upgrading any

computer hardware and software, and replacing any Service Vehicles that do not meet Franchisor's then-current requirements for new System Franchisees, as Franchisor may require.

12.4.15 Franchisee or transferee must provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and transferee's agreement to faithfully perform all of Franchisee's obligations under this Agreement, for Franchisor's prior written approval.

12.4.16 Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of disclosure document.

12.4.17 Franchisor's approval of the transfer will not constitute a waiver of any claims Franchisor may have against the transferring party.

12.4.18 Franchisor will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchisee's Business as Franchisee has supplied Franchisor hereunder.

12.4.19 If Franchisor is required to pay a broker on account of a Transfer of your Franchised Business you will reimburse us for such brokerage fees.

12.4.20 In any event, Franchisor may withhold or condition Franchisor's consent to any transfer as Franchisor deems appropriate based on the circumstances of the transfer or otherwise.

12.5 Transfer to Entity. If the Franchisee wishes to transfer the Franchise Agreement or any interest therein to a corporation or limited liability company which shall be controlled by the Franchisee, which corporation is being formed for the financial planning, tax or other convenience of the Franchisee, the Franchisor's consent to such transfer shall be conditioned upon the following requirements:

12.5.1 The corporate Franchisee shall be newly organized, and its articles of incorporation (or like documents) shall provide that its activities are confined exclusively to the operation of the Franchised Business.

12.5.2 The Franchisee shall retain total ownership of the outstanding stock or other capital interest in the transferee entity, and the Franchisee shall act as the principal officer or officers and directors thereof.

12.5.3 All obligations of the Franchisee to Franchisor and to the landlord shall be fully paid and satisfied prior to the Franchisor's consent.

12.5.4 The entity assignee shall enter into a written agreement with Franchisor expressly assuming the obligations of this Franchise Agreement and all other agreements relating to the operation of this business or the use and occupancy of the Premises. If the consent of any other contracting party to any such agreement be required, the Franchisee shall have obtained such written consent and provided the same to the Franchisor prior to the Franchisor's consent.

12.5.5 All owners of the stock or other ownership interest of the transferee entity shall enter into an agreement with the Franchisor jointly and severally guaranteeing the full payment of the entity's obligations to the Franchisor and the performance by the transferee entity of all the obligations of the Franchise Agreement.

12.5.6 Each stock certificate or other ownership interest certificate of the transferee entity shall have conspicuously endorsed upon the face thereof a statement in a form satisfactory to the Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Franchise Agreement.

12.5.7 Copies of the transferee entity's Articles of Incorporation, Articles of Organization, or documents including resolutions of the Board of Directors authorizing entry into this Franchise Agreement shall be promptly furnished to the Franchisor. Any amendment to any such documents shall also be furnished to the Franchisor immediately upon adoption.

12.5.8 The term of the transferred franchise shall be the unexpired term of this Franchise Agreement.

12.5.9 The payment of an administrative fee of Five Hundred Dollars (\$500.00).

12.6 **Franchisee May Not Encumber this Agreement.** The Franchisee shall not, without the prior written consent of the Franchisor, enter into any agreement to borrow money ancillary to which the lender acquires or purports to acquire the right, upon default by the borrower, to assume ownership or control of, or to execute upon, any franchise rights or any ownership interest in this Franchise Agreement. This franchise and this Franchise Agreement may not be used as collateral for borrowing without the prior written consent of the Franchisor. The Franchisee, in connection with any borrowing, will provide to the lender a copy of this Franchise Agreement and call the lender's attention specifically to this provision.

12.7 **Transfer in the Event of Death or Mental Incapacity.** Upon the death or mental incapacity (as reasonably determined by an independent third party such as a licensed doctor) of any person with any direct or indirect interest in Franchisee, the executor, administrator, or personal representative of such person must transfer his interest to a third party approved by Franchisor within six months after the death or incompetence. Such transfers will be subject to the same conditions as set forth in Section 12.4. If the heirs or beneficiaries of any such person are unable to meet the conditions in Section 12.4 hereof, Franchisor may terminate this Agreement. If the transfer is to the spouse or adult child who has otherwise been approved by Franchisor, no Transfer Fee shall be charged.

12.8 **Consent to Transfer not a Waiver.** Franchisor's consent to a Transfer of any interest in Franchisee will not constitute a waiver of any claims it may have against the transferring party, nor will it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

12.9 **Noncompliance.** Any Transfer that does not comply with this Section 12 shall be null and void.

12.10 **Franchisor's Right of First Refusal.** If Franchisee determines at any time to Transfer any interest in Franchisee or the Franchised Business as set forth in Section 12 of this Agreement, Franchisee will obtain a bona fide executed written offer to purchase such interest from a responsible and fully-disclosed purchaser, and will submit an exact copy of such offer to Franchisor, along with any other information concerning the proposed transfer and/or transferee as Franchisor may request. Franchisor will, for a period of thirty (30) days from the date Franchisor receives such documented offer, have the right, but not the obligation, exercisable by written notice to Franchisee, to purchase all of such interest for the price, minus any sales commission that would have been payable as a result of the proposed sale, and on substantially the terms and conditions contained in such offer; provided, however, Franchisor may

substitute cash for any other form of consideration proposed in such offer. Franchisor may deduct from the purchase price any unpaid debts Franchisee owes to Franchisor and may pay out of the purchase price any of Franchisee's unpaid trade creditors. If Franchisor does not exercise such right of first refusal, Franchisee may complete such Transfer of such interest to such purchaser on the same terms as offered to Franchisor, subject to the provisions of Section 12. If such Transfer to such proposed Transferee is not completed within sixty (60) days after delivery of such offer to Franchisor, or if the proposed Transferee makes any proposed material modification to such offer, Franchisor will again have the right of first refusal set forth in this Section 12.10.

13. DEFAULT AND TERMINATION

13.1 Automatic Termination. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following, which Franchisee agrees constitute good cause for termination:

13.1.1 Voluntary Bankruptcy. If Franchisee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consents to or acquiesces in the appointment of a trustee or receiver for Franchisee or the Franchised Business.

13.1.2 Involuntary Bankruptcy. If proceedings are commenced to have Franchisee adjudicated bankrupt or to seek Franchisee's reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for Franchisee or the Franchised Business without Franchisee's consent, and the appointment is not vacated within sixty (60) days.

13.1.3 Unauthorized Transfer. If Franchisee purports to sell, transfer, or otherwise dispose of Franchise or any interest in the Franchise Business in violation of Section 12 hereof.

13.1.4 Use of Unapproved or Unauthorized Products. If Franchisee uses any chemical or product in the delivery of its services to any customer of its Franchised Business that has not been approved or authorized by Franchisor.

13.2 Termination With Notice and Without Opportunity to Cure. Franchisor has the right to terminate this Agreement upon notice without providing Franchisee an opportunity to cure for any of the following breaches or defaults:

13.2.1 Criminal Acts/Other Misconduct. If Franchisee or Franchisee's principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct or other misconduct that negatively impacts the Licensed Marks or the operation of the Franchised Business.

13.2.2 Fraud. If Franchisee or Franchisee's Owners commit any fraud or misrepresentation in the operation of the Franchised Business.

13.2.3 Misrepresentation. If Franchisee or Franchisee's Owners make any misrepresentation or omission in connection with Franchisee's franchise application, including but not limited to any financial misrepresentation.

13.2.4 Failure to Complete Initial Certification. If Franchisee fails to complete the Initial Certification as provided in Section 6.5.

13.2.5. Repeated Breaches. If Franchisor sends Franchisee more than two (2) notices to cure pursuant to Sections 13.3 or 13.4 hereof in any twelve (12) month period, regardless of whether the breaches have been cured.

13.2.6. Misuse of the Licensed Marks or Confidential Information. If Franchisee or Franchisee's principals materially violate any provision hereof pertaining to the Licensed Marks or Confidential Information or misuse the Licensed Marks or Confidential Information.

13.2.7. Violation of Health or Safety Code. If Franchisee violates any health, safety or sanitation law, ordinance or regulation or operates the Franchised Business in a manner that presents a health or safety hazard to customers, or the general public.

13.2.8. Violation of In-term Restrictive Covenant. If Franchisee violates the in-term restrictive covenant contained in Section 11.

13.2.9. Liens. If a levy of writ of attachment or execution or any other lien is placed against Franchisee or any of Franchisee's principals or any of their assets which is not released or bonded against within 30 days.

13.2.10. Insolvency. If Franchisee or any of Franchisee's principals become insolvent.

13.2.11. Abandonment. If Franchisee voluntarily or otherwise abandons the Franchised Business. The term "abandon" includes any conduct which indicates a desire or intent to discontinue the Franchised Business in accordance with the terms of this Agreement and will apply if Franchisee fails to operate the Franchised Business for a period of three (3) or more consecutive business days without Franchisor's prior written approval.

13.2.12. Insurance. Franchisee fails to maintain insurance or to repay Franchisor for insurance paid for by it, or otherwise fails to adhere to the requirements of Section 16.

13.2.13. Government Regulations. Franchisee fails, within thirty (30) calendar 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.

13.2.14. Government Actions. Any government action is taken against Franchisee that results in any obligation upon Franchisor which in Franchisor's sole judgment is uneconomical, not in the best interests of Franchisor, or would result in Franchisor having an unintended relationship or obligation.

13.2.15. Anti-Terrorist Activities. Franchisee fails to comply with the provisions of Section 6.23.

13.2.16. Insufficient Funds. If there are insufficient funds in Franchisee's bank account to cover a check or EFT payment to Franchisor three (3) or more times within any twelve (12) month period.

13.2.17. Breach of Other Agreements. If Franchisee commits any fraud, criminal acts or other misconduct or makes any misrepresentation or omission to Franchisor relating to any other agreement with Franchisor or Franchisor's affiliates.

13.2.18. Territory Infringement. Commission of the third incident of providing services, marketing or soliciting outside of Franchisee's Protected Territory as defined in Section 1.5.5 herein. If Franchisee provides services, markets, or solicits business outside of its Territory without Franchisor's written consent.

13.3 **Termination Upon Notice and 15 Days' Opportunity to Cure.** Franchisor has the right to terminate this Agreement if any of the following defaults remain uncured after expiration of the 15-day cure period:

13.3.1 Nonpayment. If Franchisee fails to pay as and when due any sums owed to Franchisor, any of Franchisor's affiliates, or any of Franchisor's major suppliers or vendors.

13.3.2 Under-reporting of Gross Sales. If any audit reveals that Franchisee has understated Franchisee's royalty or advertising payments, or Franchisee's local advertising expenditures, by more than two (2%) percent, or if Franchisee has failed to submit timely reports and/or remittances for any two (2) reporting periods within any twelve (12) month period, as described in Section 10.

13.3.3 Failure to Open. If Franchisee fails to commence operations of the Franchised Business by the time specified in Section 6.2 of this Agreement.

13.3.4 Interruption of Service. If Franchisee fails to maintain the prescribed months, days or hours of operation at the Franchised Business.

13.3.5 Failure to Personally Supervise Business Operations or Employ Adequate Personnel. If Franchisee fails to personally, or through an approved manager, supervise the day-to-day operation of the Franchised Business or fails to employ enough qualified, competent personnel as Franchisor requires from time to time.

13.3.6 Quality Control. If Franchisee fails to maintain the strict quality controls reasonably required by this Agreement and/or the Brand Standards Manual.

13.3.7 Licenses and Permits. Franchisee fails to procure or maintain any licenses, certifications, or permits necessary for the operation of the Franchised Business.

13.4 **Termination With Notice and 30 Day Opportunity to Cure.** Franchisor has the right to terminate this Agreement after notice and expiration of a 30-day cure period if Franchisee fails to perform or comply with any one or more of the terms or conditions of this Agreement which are not specifically enumerated in Sections 13.1, 13.2, or 13.3 of this Agreement, or any ancillary agreements between Franchisee and Franchisor or any agreement between Franchisee and any of Franchisor's affiliates.

13.5 **Non-waiver.** Franchisor's delay in exercising or failing to exercise any right or remedy under this Agreement or Franchisor's acceptance of any late or partial payment due hereunder will not constitute a waiver of Franchisor's rights against Franchisee.

13.6 **Step In Rights.** In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right, or any other rights Franchisor may have against Franchisee, upon a failure to cure any default within the applicable time period (if any), Franchisor has the right, but not the obligation, to enter upon the premises of the Franchised Business and exercise complete authority with respect to the operation of the Franchised Business until such time as Franchisor determines that the default has been cured, and Franchisee is otherwise in compliance with this Agreement. In the event Franchisor exercises the rights

described in this Section, Franchisee must reimburse Franchisor for all reasonable costs and overhead, if any, incurred in connection with its operation of the Franchised Business including, without limitations, costs of personnel for supervising and staffing the Franchised Business and their travel and lodging accommodations, as well as pay a fee of up to Five Hundred Dollars (\$500) per day. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee agrees to indemnify and hold Franchisor (and Franchisor's representative(s) and employees) harmless from and against any fines, claims, suits, or proceedings which may arise out of Franchisor's operation of the Franchised Business.

13.7 Franchisor's Right to Withhold Services or Products. During any period of uncured default by Franchisee, Franchisor shall have the right to withhold or discontinue providing all services to Franchisee, including but not limited to the right to suspend Franchisee's right to purchase products from Franchisor's affiliates.

13.8 Right of Franchisor. After Franchisee's completion of initial certification but prior to Franchisee's Opening Date of the Franchised Business, Franchisor shall each have the right to terminate this Agreement as set forth in Section 4.2 herein.

14. POST TERM OBLIGATIONS

14.1 Obligations upon Termination, Expiration, Non-Renewal, or Transfer. Upon the termination, expiration, non-renewal, or transfer of this Agreement for any reason, Franchisee must immediately:

14.1.1 Cease to be a franchisee of Franchisor under this Agreement and cease to operate the former Franchised Business under the System. Franchisee must not thereafter, directly or indirectly, represent to the public that the former Franchised Business is or was operated or in any way be connected with the Green Home Solutions Franchise System, or hold itself out as a present or former Franchisee of Franchisor;

14.1.2 Pay all sums owing to the Franchisor or its affiliates. Upon termination for any default by the Franchisee, such sums shall include actual damages (other than lost royalties and other fees for the period after termination), costs and expenses incurred by the Franchisor as a result of the default, including, without limitation, reasonable attorneys' fees. In addition, upon termination by the Franchisor for a default by the Franchisee, the Franchisor shall be entitled, as stipulated damages and not as a penalty and solely to compensate the Franchisor for lost royalties for the period after termination of this Agreement, to a sum equal to the product of the number of years remaining in the Initial Term or applicable Renewal Term of this Agreement (prorated for any period of less than a year) multiplied by an amount equal to the arithmetical average of the Royalty Fee and Brand Development Fund Fee earned per year (even if not paid) over the two (2)-year period ending with the last day of the month preceding the termination date (or, if the Business was not open throughout such two-year period, then the arithmetical average of such weekly Royalty Fee and Brand Development Fund Fee earned per year, *i.e.*, annualized during the period in which the Store was open);

14.1.3 Return to Franchisor the Brand Standards Manual, Confidential Information, and all trade secrets, confidential materials, and other property owned by Franchisor, including, without limitation, all telephone numbers, website domains, internet listings, telephone directory listings, and email addresses provided by Franchisor or in any way associated with the Licensed Marks. Without limiting the generality of the foregoing, you acknowledge that as between us and you, we have the sole right to and interest in all telephone numbers, website domains, internet listings, telephone directory listings, and email addresses associated with the Marks. Franchisee may not retain a copy or record of any of the foregoing,

provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties and any other document which Franchisee reasonably needs for compliance with any applicable provision of law. Business cards, brochures, marketing materials and other promotional materials must be returned to Franchisor. Upon Franchisor's request, Franchisee must sell all of its product or chemical inventory to Franchisor at Franchisee's cost;

14.1.4 Provide Franchisor a complete list of Franchisee's employees, clients, customers, and contacts and their respective addresses and any outstanding obligations Franchisee may have to any third parties, and all business records of Franchisee that Franchisor may request;

14.1.5 Cease to use in any manner whatsoever, including in Franchisee's business operations and advertising, any methods, procedures, technology, or other component of the Green Home Solutions System in which Franchisor has any right, title, or interest. Franchisee agrees that Franchisor or a designated agent may enter upon the Premises at any time to make such changes and take possession of such items at Franchisee's sole risk and expense and without liability for trespass or compensation to Franchisee; and

14.1.6 Cease to use the Licensed Marks and any other marks and indicia of operation associated with the Green Home Solutions System including stationary and other printed matter and remove all trade dress, physical characteristics, color combinations and other indications of operation under the Green Home Solutions System from the Premises and Service Vehicles. Without limiting the generality of the foregoing, Franchisee agrees that in the event of any termination or expiration of this Agreement, it will remove all signage bearing the Licensed Marks, and remove any items which are characteristic of the Green Home Solutions System trade dress from the Premises and Service Vehicles. Franchisee agrees that Franchisor or a designated agent may enter upon the Premises at any time to make such changes at Franchisee's sole risk and expense and without liability for trespass or compensation to Franchisee.

14.2 **Damages, Costs and Expenses Resulting.** In the event of termination for any default by Franchisee, Franchisee must promptly pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation will give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of Franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Franchised Business.

15. DISPUTE RESOLUTION AND CORRESPONDING PROCEDURES.

15.1 **Mediation.** All claims or disputes between Franchisee and Franchisor or their respective affiliates arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, the Franchised Business, or any of the parties' respective rights and obligations arising out of this Agreement, must be submitted first to mediation prior to a hearing in binding arbitration (except as noted in Section 15.3 below). Such mediation will take place in State College, Pennsylvania (or Franchisor's then-current headquarters) under the auspices of the Judicial Arbitration and Mediation Services ("JAMS"), in accordance with the JAMS' Commercial Mediation Rules then in effect. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Each party will bear their own costs of mediation and share equally the filing fee imposed by JAMS and the mediator's fees. We reserve the right to specifically enforce Franchisor's right to mediation. Prior to mediation, and before commencing any legal action against Franchisor or its affiliates with respect

to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies in detail, the precise nature and grounds of such claim or dispute.

15.2 Arbitration. If not resolved by mediation and except as qualified below, any dispute between Franchisee and Franchisor or their respective affiliates arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or the Franchised Business must be submitted to binding arbitration in State College, Pennsylvania (or Franchisor's then-current headquarters) in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the Judicial Arbitration and Mediation Services ("JAMS") then in effect. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any proceedings involving their parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts. The Federal Arbitration Act, as amended, will govern the rights and duties of the parties to this Agreement to resolve any disputes by arbitration. The following will supplement and, in the event of a conflict, govern any arbitration: The matter will be heard before a single arbitrator from the JAMS' list of arbitrators. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least five (5) years of significant experience in franchise law. Each party must bear its own costs of arbitration; provided, however, that the neutral or the single arbitrator's fee will be shared equally by the parties.

The arbitrator's award must be rendered within seven (7) days of the close of the hearing and will include all fees, costs, and attorneys' fees for Franchisor if Franchisor is the prevailing party. The arbitrator will have no authority to determine class action claims and will have no authority to amend or modify the terms of the Agreement. To the extent permitted by applicable law, no issue of fact or law may be given preclusive or collateral estoppel effect in any arbitration, except to the extent such issue may have been determined in another proceeding between the parties.

Judgment upon the award of the arbitrator must be submitted for confirmation to the Superior Court of Centre County, Pennsylvania (or a court of general jurisdiction in the county of Franchisor's then-current headquarters), and, if confirmed, may be subsequently entered in any court having competent jurisdiction. The decision of the arbitrator(s) will be final and binding on all parties to the dispute; however, the arbitrator(s) may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages, or (3) make any award which extends, modifies, or suspends any lawful term of this Agreement or any reasonable standard of business. This agreement to arbitrate will survive any termination or expiration of this Agreement.

15.3 Exceptions to Arbitration. Notwithstanding Section 15.2, the parties agree that the following claims will not be subject to arbitration:

1. any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder.
2. any claim of Franchisor of non-payment by Franchisee of any fee or other sum due by Franchisee to Franchisor.

15.4 Prior Notice of Claims. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the discovery of the violation or breach and grant Franchisor reasonable opportunity to cure any alleged default. Failure to timely give such notice will preclude any claim for damages.

15.5 Third Party Beneficiaries. Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days.

15.6 No Right to Offset. Franchisee may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

15.7 Venue. Nothing contained in this Agreement will prevent Franchisor or Franchisee from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, and/or other emergency relief available to safeguard such party's interests. In the event of any litigation arising out of this Agreement or based upon the relationship between the parties, venue for any such litigation shall be any court of general jurisdiction in Centre County, Pennsylvania, or the United States District Court for the Middle District of Pennsylvania. Franchisee hereby accepts and submits to, generally and unconditionally, for itself and with respect to its property, the jurisdiction of any such courts in any such action or proceeding and hereby waives, to the greatest extent permitted by applicable law defenses based on jurisdiction, venue, or forum non conveniens. The provisions of this Section 15.7 shall be self-executing and shall remain in full force and effect after the termination or expiration of this Agreement. Franchisee acknowledges that this Agreement has been entered into in the Commonwealth of Pennsylvania, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters in Spring Mills, Pennsylvania, including but not limited to assistance, support, and the development of the System.

15.8 Limitation on Actions. The parties further agree that no cause of action arising out of or under this Agreement may be maintained by either party against the other unless brought before the expiration of one (1) year after the act, transaction, or occurrence upon which such action is based or the expiration of one (1) year after the complaining party becomes aware of facts or circumstances reasonably indicating that such party may have a claim against the other party hereunder, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense or set-off.

15.8.1 Franchisee hereby waives the right to obtain any remedy based on the alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any arbitration, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

15.9 Waiver of Punitive Damages. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, Franchisee's recovery is limited to actual damages. If any other term of this

Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

15.10 Jury Trial Waiver. With respect to any proceeding not subject to arbitration, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver will apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or Franchisee's purchase from Franchisor of the franchise and/or any goods or services.

16. INSURANCE

16.1 Lines of Insurance. Franchisee must, at its expense and no later than upon commencement of the Business contemplated by this Agreement, procure and maintain in full force and effect throughout the term of this Agreement the lines of insurance enumerated in the Brand Standards Manual which will be in at least such minimum amounts as may from time to time be required by Franchisor, and which must be provided by an A-VII or higher AM Best-rated admitted carrier and name Franchisor OnAxis Franchising Group, LLC, 136 School Street #286, Spring Mills, PA 16875, and any parties it may designate as additional insureds, including the following:

16.1.1 General Liability on an occurrence basis with limits not less than \$1,000,000 per occurrence/~~\$2,000,000 aggregate per policy year.~~ \$2,000,000 general and products/completed operations aggregate, \$1,000,000 personal/advertising injury, \$50,000 rented premises damage, and \$5,000 medical expenses. The policy must include a waiver of subrogation, primary and noncontributory provisions, contractual and independent contractors liability, and no exclusion for assault and battery. -gap coverage is required for applicable monopolistic states..

16.1.2 Automobile liability coverage, with the following must include minimum limits of liability (i) the greater of the amount required by law or \$1,000,000 and \$1,000,000 combined single limits or equivalent limit, covering, owned, hired, and non-owned automobiles and it is recommended that it includes uninsured/underinsured motorists coverage.

16.1.3 Pollution Coverage on all claims made on occurrence basis of \$1,000,000 per occurrence ~~and \$1,000,000 aggregate~~ per policy year.

16.1.4 Workers' Compensation and Employer's Liability insurance ~~as required that is the greater of (a) the amount required by applicable law or (b) \$1,000,000 for bodily injury by law in Franchisee's state of operation. It is also suggested that this covers the Owner or sole proprietor, disease per accident, \$1,000,000 policy limit, and \$1,000,000 per employee and which must include uninsured independent contractors and may not exclude owner-operators.~~

16.1.5 Cyber liability ~~first and third party of at least insurance with minimum coverage limits of \$500,000 per occurrence and \$500,000 aggregate.~~

16.1.6 Errors and Omissions with limits not less than \$1,000,000 per occurrence/\$1,000,000 aggregate per policy year.

16.1.7 Business ~~services bond in~~ interruption and property insurance with coverage for equipment (\$30,000).

~~16.1.8 Crime insurance with the amount~~minimum coverage limits of \$50,000 ~~covering at \$100,000 each claim, including third party coverage on a loss discovered form.~~

~~16.1.7~~16.1.9 ~~Umbrella insurance with limits of Franchisee's employees in the amount required by Franchisor.~~\$1,000,000 per occurrence and \$1,000,000 aggregate, providing excess coverage over General Liability

~~16.1.8~~16.1.10 Any other insurance not listed here but required by applicable law, rule, regulation, ordinance, or licensing requirements; and any updates as made from time to time in the Brand Standards Manual.

~~16.1.9~~16.1.11 Franchisor reserves the right to change the types and amounts of insurance required under this Agreement. Franchisee agrees, at its own expense, to conform its insurance coverage to Franchisor's requirements.

~~16.1.10 Franchisee must obtain and maintain insurance coverage from the insurance company(ies) specified by Franchisor.~~

~~16.1.11~~16.1.12 All subcontractors hired by Franchisee must maintain in full force and effect, while performing services for Franchisee or its customers, the types and limits on insurance set forth in this Agreement. All such policies must name Franchisee and Franchisor as additional insured parties. Franchisee should maintain copies of the insurance certificate and must release them for inspection by the Franchisor when requested.

16.2 Insurance Certificates. Franchisee must make timely delivery of certificates of all required insurance to Franchisor, each of which must contain a statement by the insurer that the policy will not be cancelled or materially altered without at least written notice per state statutory guidelines to Franchisor. Franchisee agrees to carry such insurance as may be required by the lease of the Approved Location or by any of Franchisee's lenders or equipment lessors and such workers compensation insurance as may be required by applicable law. Franchisee must add Franchisor OnAxis Franchising Group, LLC, 136 School Street #286, Spring Mills, PA 16875, to all insurance contracts as an additional insured per state guidelines under the insurance policies, the cost of which will be paid by Franchisee. Failure to do so is a default of the Franchise Agreement.

16.3 Notification of Claims. Franchisee will give Franchisor notice of any Claim against Franchisee or the Franchised Business immediately upon Franchisee receiving notice of any such Claim. Franchisee will respond to all Claims within the time required by law. Franchisee will cooperate with Franchisor or our designee in every manner and in all respects to defend Franchisee or Franchisor against any and all Claims which cooperation may require Franchisee, among other things, to appear at administrative or other hearings to present or reinforce Franchisee's or Franchisor's defenses.

16.4 No Relief from Indemnity Requirement. The procurement and maintenance of such insurance will not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement. Franchisee must, at its expense and no later than upon commencement of the Business contemplated by this Agreement, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Brand Standards Manual or otherwise in writing which must be in such amounts as may from time to time be required by Franchisor and which must designate Franchisor as an additional insured as required by this written agreement.

16.5 **First Year Insurance Premiums.** First year insurance premiums must be paid in full with evidence provided to Franchisor within thirty (30) days of signing Franchise Agreement.

16.6 **Administrative Fee.** If Franchisee fails to comply with the minimum insurance requirements set forth herein, Franchisee must pay Franchisor, on demand, a default fee of Five-Hundred Dollars (\$500) for each time Franchisee fails to obtain the required insurance. In addition, Franchisor has the right to obtain such insurance and keep same in force and effect and Franchisee must pay Franchisor, on demand, the premium cost thereof and administrative costs of eighteen (18%) percent in connection with Franchisor's obtaining the insurance. Franchisor has the right to increase or otherwise modify the minimum insurance requirements upon state statutory notice to Franchisee, and Franchisee must comply with any such modification within the time specified in said notice.

17. FRANCHISEE'S OWNERSHIP AND ORGANIZATION

17.1 **Disclosure of Ownership Interests.** Franchisee and each of its Owners represents, warrants, and agrees that Schedule "A" is current, complete, and accurate. Franchisee agrees that updates to Schedule "A" attached hereto will be furnished promptly to Franchisor, so that Schedule "A" (as so revised and signed by Franchisee) is at all times current, complete and accurate. Each Owner must be an individual acting in his or her individual capacity unless Franchisor waives this requirement.

17.2 **Organizational Documents.** If Franchisee is, or at any time becomes, a business corporation, partnership, limited liability company or other legal entity, Franchisee and each of its Owners represents, warrants and agrees that: (a) Franchisee is duly organized and validly existing under the laws of the state of its organization; (b) Franchisee has the authority to execute and deliver the Franchise Agreement and all related agreements and to perform its obligations under all such agreements; (c) the articles of incorporation, partnership agreement or other organizational documents recite that the issuance, transfer, or pledge of any direct or indirect legal or beneficial ownership interest in Franchisee is restricted by the terms of the Franchise Agreement; and (d) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued bear a legend in conformity with applicable law reciting or referring to such restrictions.

17.3 **Personal Guaranty Covenants and Assumption of Obligations.** Each Owner [and his/her respective spouse, if any,](#) of an interest in Franchisee must sign and irrevocably be bound by the Personal Guarantee included as Schedule "D".

18. TAXES, PERMITS AND INDEBTEDNESS

18.1 **Taxes.** Franchisee must promptly pay when due any and all federal, state, and local taxes including, without limitation, unemployment and sales taxes, levied or assessed with respect to any services or products furnished, used or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Business licensed hereunder.

18.2 **Permits.** Franchisee must comply with all federal, state, and local laws, rules and regulations and timely obtain any and all permits, certificates, and licenses for the full and proper conduct of the Business licensed hereunder.

18.3 **Full and Sole Responsibility for Debts and Obligations.** Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Business.

19. INDEMNIFICATION AND INDEPENDENT CONTRACTOR

19.1 **Indemnification.** Franchisee and Franchisee's Owners waive all claims against Franchisor for damages to property or injuries to persons arising out of the operation of the Franchised Business. Franchisee must fully protect, indemnify and hold Franchisor and its owners, directors, managers, officers, successors and assigns and its affiliates harmless from and against any and all claims, demands, damages, and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of the Franchised Business (regardless of cause or any concurrent or contributing fault or negligence of Franchisor or its affiliates) or any breach by Franchisee or Franchisee's failure to comply with the terms and conditions of this Agreement. Franchisee shall indemnify Franchisor for any liability arising from labor or employment law violations, including from Franchisee's acts and omissions and the acts and omissions of Franchisee's employees. Franchisor also reserves the right to select its own legal counsel to represent its interests, and Franchisee must reimburse Franchisor for its costs and attorneys' fees immediately upon Franchisor's request as they are incurred. The indemnification obligations of the Franchisee in this Section 19.1 shall expressly survive termination of this Agreement.

Franchisor waives all claims against Franchisee for damages to property or injuries to persons arising out of the operation of Franchisor's or affiliate owned businesses. Franchisor must fully protect, indemnify and defend Franchisee and its affiliates and hold Franchisee harmless from and against any and all claims, demands, damages, and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of Franchisor's company or affiliate owned franchises (regardless of cause or any concurrent or contributing fault or negligence of Franchisee) or any breach by Franchisor or Franchisor's failure to comply with the terms and conditions of this Agreement.

19.2 **Cost of Enforcement or Defense.** If Franchisor is required to hire an attorney or spend any money to enforce this Agreement or to defend against any claim because Franchisee has not performed its obligations under this Agreement, Franchisor will be entitled to recover reasonable attorneys' fees and other expenses in enforcing the obligation or in defending against the claim.

19.3 **No Fiduciary Relationship; Independent Contractor Status.** In all dealings with third parties including, without limitation, franchisees, employees, suppliers, and clients, Franchisee must disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties to create a fiduciary relationship between them nor to constitute Franchisee as a subsidiary, joint venture, partner, agent, or employee of Franchisor for any purpose whatsoever. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any warranty or representation on behalf of Franchisor other than those contained in any disclosure document prepared by Franchisor for use by Franchisee, nor is Franchisee authorized to create any obligation or enter into any contract binding on Franchisor.

20. WRITTEN APPROVALS, WAIVERS, AND AMENDMENT

20.1 **Approval Process.** Whenever this Agreement requires Franchisor's prior approval, Franchisee must make a timely written request. Unless a different time period is specified in this Agreement,

Franchisor will respond with its approval or disapproval within thirty (30) calendar days. In addition, Franchisor's approval will not be unreasonably withheld.

20.2 **No Waiver.** No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof will constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. A waiver or approval by Franchisor of any particular default by Franchisee will not be considered a waiver or approval by Franchisor of any preceding or subsequent breach by Franchisee of any term, covenant, or condition of this Agreement.

20.3 **Amendments.** No amendment, change or variance from this Agreement will be binding upon Franchisor or Franchisee except by mutual written agreement. If an amendment of this Agreement is executed at Franchisee's request, any legal fees or preparation cost in connection therewith must be paid by Franchisee.

20.4 **Non-uniform Agreements.** No warranty or representation is made by Franchisor that all other agreements with Green Home Solutions franchisees heretofore or hereafter issued by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements granted to other Green Home Solutions franchisees in a non-uniform manner, subject, however, to those provisions of this Agreement which require Franchisor to act toward its franchisees and franchise owners on a reasonably nondiscriminatory basis.

21. NOTICES

Any notice required to be given hereunder must be in writing and be mailed by registered or certified mail, hand-delivered by a recognized courier service, personally delivered, or telecopied and acknowledged by appropriate means. Notices to Franchisee must be addressed to it at the address listed on Schedule A of this Agreement. Notices to Franchisor must be addressed to Franchisor at: 136 School Street, #286, PA 16875, Attention: Legal and Administration Department, with a copy to Michael J. Todd, General Counsel Consulting, P.O. Box 3467, Gilbert, AZ 85299. Either party may modify or change its address for delivery of notice by notifying the other party in writing in a timely manner of such modification or change. Any notice complying with the provisions hereof will be deemed received five days after the date of mailing or on the actual date of receipt, as the case may be, whichever is earlier.

22. GOVERNING LAW

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the franchise, and all claims arising from the relationship between Franchisor and Franchisee (and/or any of our affiliates) and Franchisee will be governed by the laws of the Commonwealth of Pennsylvania, without regard to its conflicts of laws rule. This Agreement will become a valid and enforceable contract when we accept it and sign it in State College, Pennsylvania. Franchisee and Franchisor expressly agree that this Agreement has been made in the Commonwealth of Pennsylvania, that substantially all performance of the obligations hereunder has been and will be rendered in the Commonwealth of Pennsylvania, and that there is a regular stream of business activity between Franchisee and Franchisor from and into the Commonwealth of Pennsylvania.

23. SEVERABILITY AND CONSTRUCTION

23.1 Severability. Should any provision of this Agreement be for any reason held invalid, illegal, or unenforceable, such provision will be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement will in no way be affected and will remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this Article 23 will operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to effectuate fully the provisions hereof. Franchisee understands and acknowledges that Franchisor will have the right to reduce the scope of any covenant of this Agreement binding upon Franchisee, or any portion hereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which will be fully enforceable.

23.2 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, but such counterparts together will constitute one and the same instrument.

23.3 Headings and Captions. The headings and captions contained herein are for the purposes of convenience and reference only and are not to be construed as part of this Agreement. All terms and words used herein will be construed to include the number and gender as the context of this Agreement may require. The parties agree that each section of this Agreement will be construed independently of any other section or provision of this Agreement.

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

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

23.4.2 Franchisor's Reasonable Business Judgment. Whenever Franchisor reserves discretion in a particular area or where Franchisor agrees to exercise its rights reasonably or in good faith, Franchisor will satisfy its obligations whenever it exercises Reasonable Business Judgment in making a decision or exercising a right. Franchisor's decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decisions or actions are intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes Franchisor's financial or other individual interests. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Licensed Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing, or encouraging modernization and improving the competitive position of the System.

24. ENTIRE AGREEMENT

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document it furnished to Franchisee.

Franchisee acknowledges that it is entering into this Agreement as a result of its own independent investigation of Franchisor's franchise offering and not as a result of any representations about Franchisor made by its shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to Franchisee pursuant to applicable law.

25. FORCE MAJEURE.

In the event of an act of God, terror, war, insurrection, civil commotion, strike, lockout, or embargo; or lack of materials or telephone transmissions specified or reasonably necessary in connection with the operation of your Franchised Business or the System; or fire, unavoidable casualties, and any other occurrence, event, or condition beyond the reasonable control of Franchisee or Franchisor, whichever is applicable (a "Force Majeure"), Franchisor or Franchisee, as applicable, will be relieved of their respective obligations to the extent that Franchisee or Franchisor are necessarily prevented, or materially hindered or delayed, in such performance during the period of such Force Majeure. The party whose performance is affected by a Force Majeure shall give prompt written notice to the other party of such Force Majeure.

26. ACKNOWLEDGMENTS

26.1 The Franchisee acknowledges that it has conducted an independent investigation of the Business licensed hereunder to the extent of the Franchisee's desire to do so, and the Franchisee recognizes and acknowledges that the business venture contemplated by this Franchise Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. The Franchisor expressly disclaims the making of, and the Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, that the Franchisee will be successful in this venture or that the Business will attain any level of sales volume, profits or success.

26.2 The Franchisee acknowledges and agrees that: (i) all obligations of Franchisor under this Agreement are owed by Franchisor alone; and (ii) no other entity, including without limitation Franchisor's and our affiliates' directors, officers, shareholders, partners, members, managers, employees, agents, or attorneys shall be subject to liability under this Agreement.

26.3 The Franchisee acknowledges that it and each of its Owners has received, fully read, and understood, and all questions have been answered regarding, a copy of Franchisor's Franchise Disclosure Document with all exhibits at least fourteen (14) calendar days prior to signing any binding documents or paying any sums.

26.4 The Franchisee understands, acknowledges and agrees that there may be instances where Franchisor has varied, or will vary, the terms on which Franchisor offers franchises, the charges Franchisor (and/or Franchisor's affiliates) make or otherwise deal with our franchisees to circumstances of a particular transaction, the particular circumstances of that franchisee, or otherwise.

26.5 The Franchisee acknowledges that it has not received nor relied on (nor has Franchisor or any representative of Franchisor provided, except as may have been contained in the Franchise Disclosure

Document received by Franchisee): (i) any sales, income or other projections of any kind or nature; or (ii) any statements, representations, charts, calculations or other materials which stated or suggested any levels or range of sales, income, profits or cash flow; or (iii) any representations as to any profits Franchisee may realize in the operations of the franchise business or any working capital or other funds necessary to reach any “break-even” or any other financial levels.

26.6 Variances. Franchisee acknowledges and agrees that: i) Franchisor may from time to time approve exceptions or changes to the standards and specifications of the System (including without limitation the amount and payment terms of any fee) that Franchisor deems necessary or desirable under particular circumstances (the “Variances”); Franchisee will have no right to require Franchisor to disclose any Variances to Franchisee or grant Franchisee the same or similar Variances; and (iii) other franchisees, whether existing now or in the future, may operate under different forms of agreement, and that as a result their rights and obligations may differ materially from yours.

26.7 The Franchisee acknowledges that it (and each of its owners, if an entity) has had the opportunity and has been advised to have this Agreement and all other documents reviewed by its own attorney, accountant or and/or other advisor, and that Franchisee has read, understood, had an opportunity to discuss, and agrees to each provision of this Agreement. Franchisee agrees that it has been under no compulsion to sign this Agreement.

27. NO IMPLIED COVENANT.

Franchisee and Franchisor have negotiated the terms of this Agreement and agree that neither party shall claim the existence of an implied covenant of good faith and fair dealing to contravene or limit any express written term or provision of this Agreement.

28. SUBMISSION OF AGREEMENT.

Submission of this Agreement to Franchisee does not constitute an offer to enter into a contract. This Agreement will become effective only on its execution by Franchisee and Franchisor and will not be binding on Franchisor unless and until it is signed by Franchisor’s authorized officer and delivered to you.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Agreement, which may be executed in duplicate the day and year first above written.

Franchisor:

ONAXIS FRANCHISING GROUP, LLC

By: _____
Jeff Panella, President & CEO

Franchisee:

By: _____

Print Name and Title

By: _____

Print Name and Title

By: _____

Print Name and Title

By: _____

Print Name and Title

**AMENDMENT TO GREEN HOME SOLUTIONS FRANCHISE AGREEMENT FOR
ADDITIONAL SERVICE AND PRODUCT OFFERINGS**

THIS AMENDMENT (the “Amendment”) is made and entered into as of the ____ day of _____, 20__, (the “Effective Date”) by and between ONAXIS FRANCHISING GROUP, LLC, a Delaware limited liability company (“Franchisor”) and _____, a _____ corporation/limited liability company (the “Franchisee”) and amends that certain GREEN HOME SOLUTIONS franchise agreement between Franchisor and Franchisee dated _____ (such franchise agreement, together with all schedules, exhibits, addenda, and attachments to it, being referred to as the “Franchise Agreement”).

RECITALS

A. Pursuant to the Franchise Agreement, Franchisor may offer additional services and products for Franchisee to offer as part of the Franchisee’s Franchised Business in accordance with the terms and conditions of this Amendment.

B. Franchisor and Franchisee mutually desire to amend the Franchise Agreement, to permit Franchisee to offer certain additional service and product offerings and to establish certain minimum product purchase requirements or royalty payments associated with the additional service offerings.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Amendment, and in further consideration of the Franchise Agreement and the mutual promises and commitments set forth therein, and for other good and valuable consideration, the receipt and sufficiency of all of which the parties hereby acknowledge, the parties to this Amendment hereby agree as follows:

1. **Definitions.** Capitalized terms used but not otherwise defined in this Amendment shall have the same meanings as are ascribed to them in the Franchise Agreement.

2. **Additional Service and Product Offerings.** In addition to all service and product offerings that Franchisee is authorized to provide within its Protected Territory, Franchisee is authorized to offer the following services. Franchisee must comply with the minimum product purchase requirements for the specified services as set forth below:

Service	Minimum Product Purchase Requirement or Royalty Payment

3. **Miscellaneous.**

3.1 **Time.** Time is of the essence to the performance of all obligations of Franchisee to be performed under the Franchise Agreement and this Amendment.

3.2 **Amendments.** This Amendment may not be amended except by a written agreement signed by the duly authorized officers of the parties.

3.3 **Waiver and Delay.** No waiver or delay by Franchisor in requiring strict compliance with respect to any obligation of the Franchise Agreement or this Amendment, or in the exercise of any right or remedy provided in the Franchise Agreement or this Amendment, or at law, in equity, or otherwise, and no custom or practice at variance with the requirements of the Franchise Agreement or this Amendment, will constitute a waiver or modification of any such obligation, right, remedy, or requirement, or preclude the exercise of any such right or remedy or the right to require strict compliance with any obligation set forth in the Franchise Agreement or this Amendment, or will preclude, affect, or impair enforcement of any right or remedy provided in the Franchise Agreement or this Amendment, at law, in equity, or otherwise, with respect to any subsequent default. All remedies under the Franchise Agreement or this Amendment at law, in equity, or otherwise, afforded to Franchisor shall be cumulative and not alternative, and may be exercised simultaneously or sequentially in any order.

3.4 **Governing Law.** All matters arising out of or related to the Franchise Agreement or this Amendment, including without limitation all matters arising out of or related to the making, existence, construction, enforcement, and sufficiency of performance of the Franchise Agreement or this Amendment, shall be determined exclusively in accordance with, and governed exclusively by, the laws of the Commonwealth of Pennsylvania applicable to agreements made and to be entirely performed in the Commonwealth of Pennsylvania, which laws shall prevail in the event of any conflict of laws.

4. **Construction.**

4.1 **Construe in Favor of Enforcement.** In the event of any dispute, litigation, or like event or occurrence arising out of or related to Franchisee's or Principal's obligations set forth in the Franchise Agreement or this Amendment, or arising out of or related to the matters set forth in the Franchise Agreement or this Amendment, Franchisee, for itself and its Principal, hereby directs any third party construing the Franchise Agreement or this Amendment, including without limitation any court, mediator, master, jury, or other party acting as a trier of fact or law, to construe such provisions broadly in favor of enforcement.

4.2 **Merger; Entire Agreement, Compliance.** This Amendment, together with the Franchise Agreement, is a complete integration that sets forth the entire Agreement between the parties, fully superseding any and all prior negotiations, agreements, representations, or understandings between Franchisor and Franchisee, whether oral or written, related to the subject matter of the Franchise Agreement and this Amendment. Franchisor and Franchisee hereby expressly affirm that there are no oral or written agreements, "side-deals," arrangements, or understandings between them except as expressly set forth in the Franchise Agreement and this Amendment. No course of dealing, whether occurring before or after the Effective Date of this Amendment, shall operate to amend, terminate, or waive any express written provision of the Franchise Agreement or this Amendment. In the event of any conflict between any provision of this Amendment and a provision of the Franchise Agreement, the provision set forth in this Amendment shall control. Except as specifically amended by this Amendment, all provisions of the

Franchise Agreement shall remain in full force and effect according to their terms, and the parties shall continue to be bound by such Franchise Agreement as modified by this Amendment.

4.3 Interpretation. The word “including” means “including without limiting the scope or generality” of any word or words related thereto, and the words “and” and “or” mean, and are used in the inclusive sense of, “and/or.” References to agreements, documents, guaranties, and like agreements and instruments shall be deemed to refer as well to all schedules, exhibits, addenda, attachments, and amendments thereto.

4.4 Partial Invalidity. If any provision of this Amendment is declared invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it valid and enforceable; and if it cannot be so modified, then severed. The balance of the Amendment shall remain in full force and effect, and the parties agree that they would have signed this Amendment as so modified.

4.5 Submission of Agreement. Submission of this Amendment to Franchisee does not constitute an offer to enter into a contract. This Amendment shall become effective only on its execution by Franchisor and Franchisee and shall not be binding on Franchisor unless and until it is signed by Franchisor's authorized officer and delivered to Franchisee.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment as of the date set forth below.

FRANCHISOR:

ONAXIS FRANCHISING GROUP, LLC

By: _____
Jeff Panella
Title: President & CEO
Date: _____

FRANCHISEE:

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

FRANCHISE AGREEMENT SCHEDULE "A"

INITIAL FRANCHISE FEE, TERRITORY, APPROVED LOCATION, AND FRANCHISEE OWNERSHIP

1. Initial Franchise Fee:

2. Description of Territory:

3. Franchisee's Principal Business Address, Telephone Number, Cell Phone Number, and E-Mail Address:

Address: _____

Telephone: _____

Cell: _____

E-Mail: _____

4. Name and Address of Each Owner of Franchisee and Percentage of Ownership:

_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

5. Form of Franchisee (check applicable entity):

_____ Corporation;
_____ Partnership;
_____ Limited Partnership;
_____ Limited Liability Company;
_____ Sole Proprietorship;
Other (Specify) _____

Organized Under the Laws of the State or Commonwealth of: _____

6. Description of Approved Location is illustrated on Territory Map as follows:

FRANCHISE AGREEMENT SCHEDULE "B"

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR HAWAII FRANCHISEES

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between OnAxis Franchising Group, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Hawaii; (b) Franchisee is a resident of the State of Hawaii; and/or (c) the Green Home Solutions Franchised Business will be located or operated in the State of Hawaii.

~~2. The following sentence is added to the end of Section 4.1:~~

~~The Initial Franchise Fee will be due when you begin operating your Franchised Business.~~

~~3.2.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR ILLINOIS FRANCHISEES

This Addendum to Franchise Agreement (“Franchise Agreement”) dated _____ between OnAxis Franchising Group, LLC (“Franchisor”) and _____ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

~~1. The following sentence is added to the end of Section 4.1:~~

~~The Initial Franchise Fee will be due when you begin operating your Franchised Business. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.~~

~~2.1.~~ This Agreement shall be governed by Illinois law.

~~3.2.~~ Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

~~4.3.~~ Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

~~5.4.~~ Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

~~6.5.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~7.6.~~ Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

~~8.7.~~ Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

Date: _____

Exhibit C Page 58

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR MARYLAND FRANCHISEES

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____, between OnAxis Franchising Group, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Maryland; (b) Franchisee is a resident of the State of Maryland; and/or (c) the Green Home Solutions Franchised Business will be located or operated in the State of Maryland.

~~2. The following language is added to the end of Section 4.1 (Initial Franchise Fee):~~

~~Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.~~

~~3.2.~~ The following sentence is added to the end of Section 1:

Representations in the Franchise Agreement are not intended to, nor shall they act as a release, estoppels, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

~~4.3.~~ The following sentence is added to the end of Sections 2.2 and 12.4:

The general release required as a condition of renewal or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

~~5.4.~~ The following sentence is added to the end of Section 15.2:

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

~~6.5.~~ The following subsections from Section 26 (Acknowledgement) are deleted in their entirety: 26.1, 26.3, 26.5, and 26.7.

~~7.6.~~ Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

~~8.7.~~ No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf

of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~9.8.~~ Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

~~10.9.~~ Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

Name of Entity: _____

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

Owners of Franchisee:

[Name of Owner], Individually

[Name of Owner], Individually

[Name of Owner], Individually

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR MINNESOTA FRANCHISEES

This Addendum to Franchise Agreement (“Franchise Agreement”) dated _____ between OnAxis Franchising Group, LLC (“Franchisor”) and _____ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Minnesota; (b) Franchisee is a resident of the State of Minnesota; and/or (c) the Green Home Solutions Franchised Business will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Sections 2.2 and 13:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, subdivisions 3,4, and 5 which require, except in certain cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement.

3. The following sentence is added to the end of Section 2.2 and 12.5:

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

4. The following sentences are added to the end of Sections 15.3 and 15.8:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring arbitration or litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or the Franchise Agreement can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

6. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

FRANCHISOR: _____ **FRANCHISEE:** _____

OnAxis Franchising Group, LLC _____

By: _____

By: _____

Printed Name: Jeff Panella _____

Printed Name: _____

Title: President & CEO _____

Title: _____

Date: _____

Date: _____

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

Name of Entity: _____

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

Owners of Franchisee:

[Name of Owner], Individually

[Name of Owner], Individually

[Name of Owner], Individually

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR NEW YORK FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between OnAxis Franchising Group, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of New York; (b) Franchisee is a resident of the State of New York; and/or (c) the Green Home Solutions Franchised Business will be located or operated in the State of New York.

2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

3. The following sentence is added to the end of Sections 2.2 and 12.5:

Any provision in the Franchise Agreement requiring Franchisee to sign a general release of claims against Franchisor does not release any claim Franchisee may have under New York General Business Law, Article 33, and Sections 680-695.

4. The following sentence is added at the end of Section 12.1:

Franchisor will not assign its rights under the Franchise Agreement except to an assignee who in Franchisor's good faith and judgment is willing and able to assume Franchisor's obligations under the Franchise Agreement.

5. The following sentence is added to the end of Section 22:

Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

8. ~~7.~~ Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR: _____ **FRANCHISEE:** _____

OnAxis Franchising Group, LLC _____

By: _____ By: _____

Printed Name: Jeff Panella _____ Printed Name: _____

Title: President & CEO _____ Title: _____

Date: _____ Date: _____

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

Name of Entity: _____

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

Owners of Franchisee:

[Name of Owner], Individually

[Name of Owner], Individually

[Name of Owner], Individually

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR NORTH DAKOTA FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between OnAxis Franchising Group, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of North Dakota; (b) Franchisee is a resident of the State of North Dakota; and/or (c) the Green Home Solutions Franchised Business will be located or operated in the State of North Dakota.

2. The following sentence is added at the end of Sections 2.2 and 12.5:

Notwithstanding the foregoing, any general release the Franchisee is required to assent to shall not apply to any liability Franchisor may have under the North Dakota Franchise Investment Law.

~~3. The following sentence is added at the end of Section 4.1:~~

~~Notwithstanding the above, the Initial Franchise Fee will be due when you begin operating your Green Home Solutions Franchised Business.~~

~~4.3. The following sentence is added at the end of Section 11.4:~~

Covenants not to compete are generally considered unenforceable in the State of North Dakota.

4. The following sentence is added at the end of Sections 15.7:

Under the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a State other than North Dakota is void, provided that the Franchise Agreement may provide for arbitration in a forum outside of North Dakota.

5. Section 15 of the Franchise Agreement is amended to add the following: "In any mediation or arbitration action the site of the mediation or arbitration must be agreeable to all parties and must not be remote from the franchisee's place of business."

6. The following is added at the end of Section 22:

In any legal action or arbitration involving a franchise purchased in the state of North Dakota, the prevailing party is entitled to recover all costs and expenses, including attorney's fees. This section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming

reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

~~(SIGNATURES CONTINUED ON FOLLOWING PAGE)~~

FRANCHISOR: _____ **FRANCHISEE:** _____

OnAxis Franchising Group, LLC _____

By: _____ By: _____

Printed Name: Jeff Panella _____ Printed Name: _____

Title: President & CEO _____ Title: _____

Date: _____ Date: _____

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

Name of Entity: _____

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

Owners of Franchisee:

[Name of Owner], Individually

[Name of Owner], Individually

[Name of Owner], Individually

**ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR RHODE ISLAND
FRANCHISEES**

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between OnAxis Franchising Group, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Rhode Island; (b) Franchisee is a resident of the State of Rhode Island; and/or (c) the Green Home Solutions Franchised Business will be located or operated in the State of Rhode Island.

2. The following sentence is added to the end of Sections 15.3. and 15.7:

Section 19-28.1-14 of the Rhode Island Franchise investment Act provides that: "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR: _____ FRANCHISEE: _____

OnAxis Franchising Group, LLC _____

By: _____ By: _____

Printed Name: Jeff Panella Printed Name: _____

Title: President & CEO Title: _____

Date: _____ Date: _____

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

Name of Entity: _____

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

Owners of Franchisee:

[Name of Owner], Individually

[Name of Owner], Individually

[Name of Owner], Individually

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR SOUTH DAKOTA FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between OnAxis Franchising Group, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of South Dakota; (b) Franchisee is a resident of the State of South Dakota; and/or (c) the Green Home Solutions Franchised Business will be located or operated in the State of South Dakota.

2. The following sentence is added at the end of Sections 2.2 and 12.5:

Notwithstanding the foregoing, any general release the Franchisee is required to assent to shall not apply to any liability Franchisor may have under the South Dakota Franchise Investment Law.

3. The following sentence is added at the end of Section ~~4.1~~:

~~Notwithstanding the above, the Initial Franchise Fee will be due when you begin operating your Green Homes Solutions Franchised Business.~~

~~4. The following sentence is added at the end of Section 11.4:~~

Covenants not to compete are generally considered unenforceable in the State of South Dakota.

~~54.~~ The following sentence is added at the end of Sections 15.7:

Under the South Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside South Dakota or to consent to the application of laws of a State other than South Dakota is void, provided that the Franchise Agreement may provide for arbitration in a forum outside of South Dakota.

~~65.~~ The following is added at the end of Section 22:

In any legal action or arbitration involving a franchise purchased in the state of South Dakota, the prevailing party is entitled to recover all costs and expenses, including attorney's fees. This section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the South Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of South Dakota.

~~76.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

Name of Entity: _____

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

Owners of Franchisee:

[Name of Owner], Individually

[Name of Owner], Individually

[Name of Owner], Individually

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR VIRGINIA FRANCHISEES**

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between OnAxis Franchising Group, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement, This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the Commonwealth of Virginia; (b) Franchisee is a resident of the Commonwealth of Virginia; and/or (c) the Green Home Solutions Franchised Business will be located or operated in the Commonwealth of Virginia.

~~2. The following sentence is added to the end of Section 4.1:~~

~~The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owned by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.~~

~~3.2.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~4.3.~~ Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

~~5.4.~~ Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

Name of Entity: _____

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

Owners of Franchisee:

[Name of Owner], Individually

[Name of Owner], Individually

[Name of Owner], Individually

FRANCHISOR: _____ **FRANCHISEE:** _____

OnAxis Franchising Group, LLC _____

By: _____

By: _____

Printed Name: Jeff Panella _____

Printed Name: _____

Title: President & CEO _____

Title: _____

Date: _____

Date: _____

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, STATEMENT OF PROSPECTIVE FRANCHISEE, AND RELATED AGREEMENTS

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

Exhibit C Page 74

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

Name of Entity: _____

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

Owners of Franchisee:

[Name of Owner], Individually

[Name of Owner], Individually

[Name of Owner], Individually

~~FRANCHISOR:~~

~~FRANCHISEE:~~

~~OnAxis Franchising Group, LLC~~

~~By: _____~~

~~By: _____~~

~~Printed Name: Jeff Panella~~

~~Printed Name: _____~~

~~Title: President & CEO~~

~~Title: _____~~

~~Date: _____ Date: _____~~

**FRANCHISE AGREEMENT
SCHEDULE "C"**

ELECTRONIC DEBIT AUTHORIZATION

Authorization Agreement for Direct Payments (ACH Debits)

I (we) hereby authorize ONAXIS FRANCHISING GROUP, LLC, hereinafter called FRANCHISOR, to initiate debit entries to my (our) Checking Account ____ / Savings Account____ (select one) indicated below at the depository financial institution named below, hereafter called DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository Name:_____ Branch:_____

City:_____ State:_____ Zip:_____

Routing Number:_____ Account Number:_____

This authorization will remain in full force and effect until FRANCHISOR has received written notification from me (or either of us) or its termination in such time and in such manner as to afford FRANCHISOR and DEPOSITOR a reasonable opportunity to act on it.

Name(s):_____ Driver's License State and Number:_____

Date:_____ Signature: _____

Name(s):_____ Driver's License State and Number:_____

Date:_____ Signature: _____

Name(s):_____ Driver's License State and Number:_____

Date:_____ Signature: _____

NOTE: DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION

**FRANCHISE AGREEMENT
SCHEDULE "D"**

PERSONAL GUARANTY OF FRANCHISEE'S OWNERS AND SPOUSES

THIS GUARANTY is given this _____ day of _____, 20__

By (list each guarantor):

By (list each guarantor):

By (list spouse for each guarantor):

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by OnAxis Franchising Group, LLC ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including any extensions, renewals and modifications thereof) and afterward as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and arbitration requirements.

Each of the undersigned consents and agrees that: (i) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (ii) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (iii) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (iv) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or

might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (v) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in the state or federal court of general jurisdiction in whose district our headquarters is then located and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

SIGNATURES OF EACH GUARANTOR	Percentage of Ownership IN FRANCHISEE
_____	_____ %
Name: _____	
_____	_____ %
Name: _____	
_____	_____ %
Name: _____	
_____	_____ %
_____	_____ %
Name: _____	

SIGNATURES OF SPOUSE OF EACH GUARANTOR

Name: _____

Name: _____

Name: _____

Name: _____

**FRANCHISE AGREEMENT
SCHEDULE "E"**

PERSONAL COVENANTS

To Be Signed By: All Persons Having an Equity Interest in Franchisee; and Franchisee's Directors, Officers, and Management Employees

Each undersigned ("you") agrees that:

1. All capitalized terms used but not defined in these Personal Covenants shall have the meanings set forth in that certain Green Home Solutions Franchise Agreement between OnAxis Franchising Group, LLC ("Franchisor") and _____ ("Franchisee") dated as of the _____ day of _____, 20____ ("Franchise Agreement").

2. You are an Owner of Franchisee, or you are a director, officer, or management employee of Franchisee; and as such, you expect to or will gain a direct personal benefit from the Franchise Agreement.

3. As an inducement to Franchisor to enter into the Franchise Agreement, and in consideration of the direct and personal benefits you will derive from the Franchise Agreement, you agree that: (i) you have read and understand all the provisions of Section 11 of the Franchise Agreement; (ii) you will be personally bound by all of the obligations and covenants of Franchisee contained in Section 11 as if such obligations and covenants were made and given personally by you directly to Company; and (iii) such obligations and covenants are fair and reasonable and will not deprive you of your livelihood.

4. If any provision contained in Section 11 of the Franchise Agreement is held by a court of competent jurisdiction to be unenforceable as applied to you, then such unenforceable provision may be modified by such court to the extent necessary to render it enforceable, and if it cannot be so modified, it shall be severed, and the remainder of Section 11 shall remain in full force and effect.

5. These personal covenants shall be governed by the internal laws of the Commonwealth of Pennsylvania.

The undersigned hereby execute and deliver this instrument effective as of the date set forth beneath their signatures.

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

Signature

Print Name

Date

Signature

Print Name

Date

Signature

Print Name

Date

Signature

Print Name

Date

Signature

Print Name

Date

Signature

Print Name

Date

FRANCHISE AGREEMENT SCHEDULE "F"

RELEASE, COVENANT NOT TO SUE, AND INDEMNIFICATION

THIS RELEASE, COVENANT NOT TO SUE, AND INDEMNIFICATION (the "Release") is made and entered into as of the _____ day of _____, 20__ (the "Effective Date"), by and among ONAXIS FRANCHISING GROUP, LLC, a Delaware limited liability company ("Franchisor") on the one hand; and _____, a _____ ("Franchisee"), and _____, an individual citizen of the state of _____, and _____, an individual citizen of the state of _____, and _____, an individual citizen of the state of _____ (such individuals, collectively, the "Owners"), on the other hand.

RECITALS

WHEREAS, Franchisor and Franchisee are parties to that certain Green Home Solutions Franchise Agreement dated as of _____, 20__, and certain schedules, exhibits, addenda, attachments, and amendments thereto (collectively, the "Franchise Agreement"), related to the Franchise of Franchisee as described in such Franchise Agreement (the "Franchise"); and

[FOR USE WHERE FRANCHISEE IS RENEWING THE FRANCHISE]

WHEREAS, the Initial Term of the Franchise will expire at the end of _____, 20__ and Franchisee desires to renew the Franchise, which renewal requires, among other things, that Franchisee and Owners execute and deliver this Release pursuant to Section 2.2 of the Franchise Agreement; and

WHEREAS, Franchisor is agreeable to such renewal, subject to, conditioned on, and in reliance on, compliance by: Franchisee and its Owners with Section 2.2 of the Franchise Agreement; and

WHEREAS, Principal Owners are holders of substantial equity in Franchisee and anticipate benefit from the renewal of the Franchise, and hence from this Release, without which Release Franchisor would not agree to renew the Franchise; and

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

[FOR USE WHERE FRANCHISEE IS TRANSFERRING THE FRANCHISE]

WHEREAS, Franchisee desires to Transfer the Franchise, certain interests in the Franchise, Franchisee, or certain interests in Franchisee, which Transfer requires, among other things, that Franchisee and Owner execute and deliver this Release pursuant to Article 12 of the Franchise Agreement; and

WHEREAS, Franchisor is agreeable to such Transfer, subject to, conditioned on, and in reliance on, compliance by: (i) Franchisee and Transferee with the Franchise Agreement, including without limitation Article 12 of the Franchise Agreement; and (ii) Owners with Section 14.1 of the Franchise Agreement; and

WHEREAS, Owners are holders of equity in Franchisee and anticipate benefit from the Transfer of the Franchisee, or certain interests in Franchisee, and hence from this Release, without which Release Franchisor would not consent to such Transfer;

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the Transfer, and in further consideration of the sum of Ten and No/100 Dollars (\$10.00) in-hand paid to Franchisee and each Owner, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

[BODY: FOR USE IN ALL SITUATIONS]

1. **Definitions.** Capitalized terms used but not otherwise defined in this Release shall have the same meanings as set forth in the Franchise Agreement.

2. **Release.** In specific consideration of Franchisor's consent to the [Renewal of the Franchise] [Transfer of the Franchise], Franchisee, Owners, and the successors and assigns of any and all of them (collectively, the "Releasing Parties"), hereby release, remise, acquit, and forever discharge Franchisor and its directors, officers, members, employees, agents, and attorneys, and Franchisor's affiliates and each and all of their directors, officers, shareholders, partners, members, managers, employees, agents, and attorneys, and the successors and assigns of any of them (collectively, the "Parties Released"), from and against any and all claims, debts, demands, actions, causes of action, loss, losses, damage, damages, and liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, occurring or accruing prior to the Effective Date of this Release, that arise out of or relate to: (i) the Franchise Agreement; (ii) the Franchise; (iii) the [Renewal of the Franchise] [Transfer of the Franchise]; or (iv) the business relationship that existed or exists between the Releasing Parties, or any of them, on the one hand, and the Parties Released, or any of them, on the other hand; including, without limitation, the offering of the Franchise and the Franchise offering documents. In the event any Releasing Party raises or asserts any claim, action, or cause of action described in this Section 2 of this Release, or alleges any loss, losses, damage, damages, or liabilities described in this Section 2 of this Release, this Section 2 shall be a complete and conclusive defense thereto.

3. **Covenant Not to Sue.** In specific consideration of Franchisor's consent to the [Renewal of the Franchise] [Transfer of the Franchise], the Releasing Parties hereby covenant, warrant, and agree that neither they nor any of them will: (i) make any claim or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to the Parties Released, or any of them, for any matter, accruing or arising prior to the Effective Date of this Release, that arise out of or relate to: (a) the Franchise Agreement; (b) the Franchise; (c) the [Renewal of the Franchise] [Transfer of the Franchise]; or (d) the business relationship that existed or exists between the Releasing Parties, or any of them, on the one hand, and the Parties Released, or any of them, on the other hand; including, without limitation, the offering of the Franchise and the Franchise offering documents.

4. **Indemnification.** In specific consideration of Franchisor's consent to the [Renewal of the Franchise] [Transfer of the Franchise], the Releasing Parties covenant, warrant, and agree that they will indemnify, defend, and hold harmless the Parties Released against, and reimburse any and all of the Parties Released for, any and all Claims arising out of or related to any act or omission by the Releasing Parties, or any of them, in violation of or contrary to this Release. For purposes of this indemnification, "Claims" include, without limitation, all obligations, debts, liabilities, demands, claims, causes of action, actions, loss, losses, damage, and damages (actual, consequential, multiplied, enhanced, exemplary, punitive, or otherwise), and costs reasonably incurred in the defense of any claim against any of the Parties Released; including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees; costs of investigations and proof of facts; court costs and other expenses of litigation, arbitration, or alternative dispute resolution; and travel and living expenses. The Party Released affected shall have the right to counsel it reasonably chooses. Under no circumstances will any Party Released be required to seek recovery from any insurer, other third party, or otherwise, or to mitigate any losses and expenses of such Party Released, in order to maintain and recover fully a claim under this Section 4 of this Release. No failure to pursue such recovery or to mitigate a loss will in any way reduce or alter the amounts any Party Released may recover. The obligations of the Releasing Parties under this Section 4 shall be joint and several.

THE GENERAL RELEASE REQUIRED AS A CONDITION OF RENEWAL, SALE, AND/OR ASSIGNMENT/TRANSFER DOES NOT APPLY WITH RESPECT TO CLAIMS ARISING UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW 19.100, AND THE RULES ADOPTED THEREUNDER.

THE GENERAL RELEASE REQUIRED AS A CONDITION OF RENEWAL, SALE, AND/OR ASSIGNMENT/TRANSFER WILL NOT APPLY TO ANY LIABILITY UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

5. **Miscellaneous.**

5.1 The Parties Released are first-party direct beneficiaries or intended third-party beneficiaries of this Release, are entitled to enforce its terms, and are entitled to all its benefits.

5.2 This Release and all matters related to the validity, construction, interpretation, and enforcement of this Release shall be governed by the laws of the Commonwealth of Pennsylvania without reference to its choice of law or conflicts of law principles; provided, however, if any or all of the provisions set forth in Sections 2, 3, 4, or 5 of this Release are unenforceable under the laws of the Commonwealth of Pennsylvania, but would be enforceable under the laws of any other jurisdiction where any applicable party is a citizen or resident, then the laws of such other jurisdiction shall apply, but only to the provision or provisions that would be unenforceable under the laws of the Commonwealth of Pennsylvania.

5.3 In the event of any litigation or other dispute related to this Release between the Releasing Parties, or any of them, on the one hand, and the Parties Released, or any of them, on the other hand, including without limitation any litigation or dispute related to the making of this Release, any such litigation shall be brought in the state or federal court having jurisdiction over the subject matter in the jurisdiction where Franchisor's principal office is located, and the parties specifically and irrevocably consent to the personal jurisdiction of such courts over them and waive any objections thereto they may otherwise have had. The Releasing Parties hereby covenant, warrant, and agree that neither they nor any of them will raise any claim that they or any of them are not subject to personal jurisdiction in the courts enumerated in this Section 5.3 or that venue in any such court is improper, inconvenient, prejudicial, or otherwise inappropriate.

5.4 In the event of any litigation, other dispute, or default related to this Release between the Releasing Parties, or any of them, on the one hand, and the Parties Released, or any of them, on the other hand, including without limitation any litigation or dispute related to the making of this Release, the non-prevailing party shall pay the prevailing party the prevailing party's reasonable costs and attorneys' fees related to such litigation, other dispute, or default, which in the event of litigation shall be taxed as costs, within five (5) days after demand therefor.

This Release may be executed in multiple counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Release effective as of the date first written above.

FRANCHISOR:

OnAxis Franchising Group, LLC

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

FRANCHISEE:

Name of Entity: _____

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

Owners of Franchisee:

[Name of Owner], Individually

[Name of Owner], Individually

[Name of Owner], Individually

~~ONAXIS FRANCHISING GROUP, LLC~~

~~FRANCHISEE:~~

By: _____

Jeff Panella, President & CEO

By: _____

Print Name and Title

By: _____

Print Name and Title

By: _____

Print Name and Title

By: _____

Print Name and Title

EXHIBIT D

FINANCIAL STATEMENTS



OnAxis Franchising Group, LLC

Financial Statements

**As of and for the Year Ended December 31, 2023
and as of December 31, 2022 and for the Period From
June 1, 2022 through December 31, 2022**

OnAxis Franchising Group, LLC

Contents

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2160 Sandy Drive, Suite C
State College, PA 16803
P (814) 234-9007
F (814) 231-8000

Independent Auditors' Report

To the Members
OnAxis Franchising Group, LLC

Opinion

We have audited the accompanying financial statements of OnAxis Franchising Group, LLC (a limited liability company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, equity, and cash flows for the year ended December 31, 2023 and the period from June 1, 2022 through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OnAxis Franchising Group, LLC (the Company) as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year ended December 31, 2023 and the period from June 1, 2022 through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Urish Popeck & Co., LLC

State College, Pennsylvania
April 10, 2024

OnAxis Franchising Group, LLC

Balance Sheets

December 31,	2023	2022
Assets		
Current Assets		
Cash	\$ 1,303,208	\$ 186,275
Accounts receivable, net of allowance of \$16,092 and \$4,093	137,137	117,592
Franchise fees receivable	93,636	64,966
Inventory, net of reserve of \$8,650 and \$16,000	428,184	317,898
Prepaid commissions, current	140,477	134,742
Prepaid expenses and other current assets	24,303	38,189
Total Current Assets	2,126,945	859,662
Property and equipment , net of accumulated depreciation of \$51,897 and \$46,186	27,564	4,258
Other Assets		
Trademarks	38,500	38,500
Assets held for sale	23,207	-
Prepaid commissions	463,568	515,475
Total Other Assets	525,275	553,975
Total Assets	\$ 2,679,784	\$ 1,417,895
Liabilities and Members' Equity/(Deficit)		
Current Liabilities		
Accounts payable	\$ 376,623	\$ 417,312
Accrued expenses	187,713	366,764
Funds designated for franchisee advertising	15,226	103,049
Deferred revenues, current	317,860	345,105
Due to member	-	63,641
Total Current Liabilities	897,422	1,295,871
Long-term Liabilities		
Deferred revenues	1,054,597	1,153,967
Total Liabilities	1,952,019	2,449,838
Members' Equity/(Deficit)		
Class A Preferred Units	6,956,711	-
Class B Common Units	100,000	-
Class A Common Units (retired)	-	100,000
Class B Common Units (retired)	-	-
Accumulated deficit	(6,328,946)	(1,131,943)
Total Members' Equity/(Deficit)	727,765	(1,031,943)
Total Liabilities and Members' Equity/(Deficit)	\$ 2,679,784	\$ 1,417,895

The accompanying notes are an integral part of the financial statements.

OnAxis Franchising Group, LLC

Statements of Operations

	Year Ended December 31, 2023	Period from June 1, 2022 through December 31, 2022
Revenues:		
Royalties	\$ 2,306,811	\$ 1,271,341
Franchise fees	408,087	233,144
Brand development fees	213,407	189,068
Product sales	822,597	661,311
Service fees	410,025	332,285
Other	81,931	43,721
Total revenues	4,242,858	2,730,870
Cost of sales	1,728,242	1,254,527
Gross profit	2,514,616	1,476,343
Operating expenses	3,155,227	1,933,084
Loss from operations	(640,611)	(456,741)
Other (income) expense		
Interest earned	(10,761)	-
Interest expense	96,742	14,511
Total other expense	85,981	14,511
Net loss	\$ (726,592)	\$ (471,252)

The accompanying notes are an integral part of the financial statements.

OnAxis Franchising Group, LLC

Statements of Equity

	Class A Common Units (retired)		Class B Common Units (retired)		Class B Common Units		Class A Preferred Units		Accumulated Deficit	Total
	Units	Amount	Units	Amount	Units	Amount	Units	Amount		
Balance, June 1, 2022	730,000	\$ 100,000	270,000	\$ -	-	\$ -	-	\$ -	\$ -	\$ 100,000
Net deficit assumed from and amounts paid to affiliate	-	-	-	-	-	-	-	-	(1,185,653)	(1,185,653)
Issuance of units	-	-	-	-	-	-	-	-	-	-
Member contributions	-	-	-	-	-	-	-	-	625,000	625,000
Member distributions	-	-	-	-	-	-	-	-	(100,038)	(100,038)
Net loss	-	-	-	-	-	-	-	-	(471,252)	(471,252)
Balance, December 31, 2022	730,000	\$ 100,000	270,000	\$ -	-	\$ -	-	\$ -	\$ (1,131,943)	\$ (1,031,943)
Net amounts paid to affiliate	-	-	-	-	-	-	-	-	(1,568,000)	(1,568,000)
Issuance of units, net \$543,289 of capital raise expenses	-	-	-	-	-	-	7,500,000	6,956,711	-	6,956,711
(Retirement)/Issuance of units	(730,000)	(100,000)	(270,000)	-	4,038,462	100,000	-	-	-	-
Member distributions	-	-	-	-	-	-	-	-	(2,902,411)	(2,902,411)
Net loss	-	-	-	-	-	-	-	-	(726,592)	(726,592)
Balance, December 31, 2023	-	\$ -	-	\$ -	4,038,462	\$ 100,000	7,500,000	\$ 6,956,711	\$ (6,328,946)	\$ 727,765

The accompanying notes are an integral part of the financial statements.

OnAxis Franchising Group, LLC

Statements of Cash Flows

	Year Ended December 31, 2023	Period from June 1, 2022 through December 31, 2022
Cash flows from operating activities		
Net loss	\$ (726,592)	\$ (471,252)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	5,710	2,865
Reserve for inventory obsolescence	-	16,000
Changes in operating assets and liabilities		
Accounts receivable	(19,545)	4,536
Franchise fees receivable	(28,670)	(64,966)
Inventory	(110,286)	(98,734)
Prepaid commissions	46,172	(5,139)
Prepaid expenses and other current assets	13,886	(19,876)
Accounts payable	(40,689)	22,687
Accrued expenses	(179,051)	293,254
Funds designated for franchisee advertising	(87,823)	(22,323)
Deferred revenues	(126,615)	(21,199)
Net cash used in operating activities	(1,253,503)	(364,147)
Cash flows from investing activities		
Purchase of franchises held for sale	(23,207)	-
Purchases of property and equipment	(29,016)	(1,263)
Net cash used in investing activities	(52,223)	(1,263)
Cash provided by financing activities		
Due to member	(63,641)	(36,104)
Member distributions	(2,902,411)	(100,038)
Member contributions	-	625,000
Issuance of units, net of \$543,289 of capital raise expenses	6,956,711	-
Proceeds from note payable	199,000	-
Payments of note payable	(199,000)	-
Cash assigned from affiliate	-	174,618
Net payments to affiliate	(1,568,000)	(211,791)
Net cash provided by financing activities	2,422,659	451,685
Net increase in cash	1,116,933	86,275
Cash - beginning of period	186,275	100,000
Cash - end of period	\$ 1,303,208	\$ 186,275
Supplemental disclosure of cash flow information:		
Net deficit assumed from affiliate	\$ -	\$ 973,862
Cash paid for interest	\$ 14,511	\$ 14,511

The accompanying notes are an integral part of the financial statements.

OnAxis Franchising Group, LLC

Notes to Financial Statements
Year Ended December 31, 2023 and
Period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies

The organization, business and summary of significant accounting policies of OnAxis Franchising Group, LLC (a Delaware limited liability company) (the "Company") are presented to assist in understanding the accompanying financial statements. The financial statements and notes are those of the Company, and its management is responsible for their integrity and objectivity. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Business

The Company was formed on December 29, 2021 and filed for change of name to OnAxis Franchising Group, LLC on February 10, 2022, to sell franchises in the United States of America. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the name "Green Home Solutions," which offers a menu of environmentally preferred indoor air quality solutions, including mold cleaning, odor management and disinfections.

On May 20, 2022, the Company entered into a trademark assignment agreement with JC Franchising Group, LLC ("JCFG"), an entity affiliated to the Company through common ownership and control, to purchase the trademarks associated with the registered name "Green Home Solutions." Pursuant to the trademark assignment agreement, the Company acquired the entire right, title and interest in and to the "Green Home Solutions" trademark, as further defined.

On June 1, 2022, the Company entered into an assignment agreement with JCFG, whereby, JCFG assigned its interest in certain franchise, area representative and master operator agreements and certain assets and liabilities, as further specified in the assignment agreement, to the Company.

On August 25, 2023, the Company amended and restated the operating agreement to provide for, among other terms, the issuance of 7,500,000 Class A Preferred Units and 4,038,462 Class B Common Units and retire the then outstanding Class A Common Units and Class B Common Units. See Note 8.

Revenue and Cost Recognition

The Company recognizes revenue in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"), and adopted FASB Accounting Standards Update ("ASU") No. 2021-02, *Franchisors - Revenue from Contracts with Customers* (Subtopic 952-606) ("ASU 2021-02"). Topic 606 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company derives substantially all its revenue from franchise agreements related to franchise fees, royalties, product sales, service fees, area representative fees, transfer fees and brand development fees.

Certain franchise fees are financed by franchisees over periods defined in the specific finance agreements. Such interest income totaled \$2,497 and \$3,697 for the year ended December 31, 2023 and the period from June 1, 2022 through December 31, 2022, respectively, and is included in Other income in the accompanying statements of operations. Other sales terms are typically due immediately.

OnAxis Franchising Group, LLC

Notes to Financial Statements
Year Ended December 31, 2023 and
Period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies (cont.)

Franchise Fees and Royalties

Contract consideration from franchisees and area representatives consist primarily of initial or renewal franchise fees, area representative fees, sales-based royalties, sales-based brand development fees and transfer fees payable by a franchisee for the transfer of its franchise unit to another franchisee. The initial franchise fees and the area representative fees are nonrefundable and collected when the underlying agreement is signed by the franchisee and the area representative. Sales-based royalties and brand development fees are payable monthly. Renewal and transfer fees are payable when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligations under the franchise agreement include the granting of certain rights to access the Company's intellectual property in addition to a variety of activities relating to the opening of a franchise unit. Those costs would include site selection, training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under ASU 2021-02 are recognized as a single performance obligation. For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities, if any, that is not brand specific is deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property and is therefore accounted for as a separate performance obligation. All other pre-opening activities are highly interrelated to the use of the Company's intellectual property and are therefore accounted for as a component of a single performance obligation which is satisfied along with granting of certain rights to use the Company's intellectual property over the term of each franchise agreement. The Company's primary performance obligations under the area representative agreement include granting of certain rights to access the Company's intellectual property.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 is recognized when those performance obligations are satisfied.

Initial and renewal franchise fees and area representative fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective agreement.

OnAxis Franchising Group, LLC

Notes to Financial Statements
Year Ended December 31, 2023 and
Period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies (cont.)

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

Brand Development Fund

The Company maintains a brand development fund which was established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Brand development fund fees are collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the brand development fund and therefore recognizes the revenues and expenses related to the brand development fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand development fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the brand development fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur.

When brand development fund fees exceed the related brand development fund expenses in a reporting period, advertising costs are accrued up to the amount of brand development fund revenues recognized.

Product Sales

Revenues from product sales are recognized when control of the promised goods is transferred to the customer. The Company has elected to treat shipping and handling as fulfillment activities and not a separate performance obligation. Accordingly, the Company recognizes revenue from product sales as single performance obligation at the point of sale or at the time of shipment, which is when transfer of control to the customer occurs.

Provisions for customer volume discounts, product returns, rebates and allowances are variable considerations and are estimated and recorded as a reduction of revenue in the same period the related product revenue is recorded.

Other Revenues

All other fees will be recognized as services are rendered.

Incremental Costs of Obtaining a Contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the related franchise agreement.

OnAxis Franchising Group, LLC

Notes to Financial Statements
Year Ended December 31, 2023 and
Period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies (cont.)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Significant estimates in these financial statements include the valuation of pre-opening services provided to new franchisees, the allowance for doubtful accounts, and the allowance for obsolete inventory. Actual results could materially differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash maintained at various banking institutions and highly-liquid investments having a maturity of three months or less when purchased. The Company maintains its cash and cash equivalents in accounts that are insured by the Federal Deposit Insurance Company up to \$250,000. The Company's deposits may, from time to time, exceed the \$250,000 limit; however, management believes that there is no unusual risk present, as the Company places its cash and cash equivalents with financial institutions which management considers being of high quality.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on management's experience. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers. Collections on accounts previously written off are included in income as received.

Inventory

Inventory, consisting of finished goods, is stated at the lower of cost or net realizable value. Cost is determined on the average cost method. Obsolete inventory is written off when product is no longer saleable.

Property and Equipment

Property and equipment are stated at cost. Maintenance and repairs, which are not considered to extend the useful lives of assets or improve asset productivity, are charged to operations as incurred. The cost of assets sold or retired and the related accumulated depreciation are removed from the accounts with any resulting gain or loss reflected in operations.

OnAxis Franchising Group, LLC

Notes to Financial Statements
Year Ended December 31, 2023 and
Period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies (cont.)

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which are as follows:

Software	3 years
Computer equipment	5 years
Furniture and fixtures	5 - 7 years

Trademarks

Trademarks, which have a cost of \$38,500 at December 31, 2023 and 2022, have indefinite useful lives and therefore are not amortized and are tested for impairment on an annual basis. Costs incurred to renew or extend the term of such assets are expensed as incurred.

Franchised Outlets

The following data represents the Company's franchised outlets as of and for the year ended December 31, 2023:

Franchises sold	11
Franchised outlets in operation	197
Master operator in operation	1

*Master operator franchised outlets in operation at December 31, 2023, are not included in the franchised outlets in operation in the table above.

Assets Held for Sale

Assets held for sale consist of Company-owned franchises that the Company intends to sell to new or existing franchisees within one year. Such amounts represent reacquired rights, which are recorded at the lower of carrying value or the estimated sales price, less costs to sell, and are evaluated for impairment at least annually. No results of operations or cash flows from the purchased franchise were recognized in the accompanying financial statements.

Income Taxes

The Company has elected to be taxed as a partnership for Federal and state income tax purposes and accordingly, the Company does not pay Federal or state income taxes on its taxable income. Instead, the Company's income or loss is passed on to the members and is reported on their individual income tax returns. Therefore, no provision for Federal or state income taxes is included in these financial statements.

OnAxis Franchising Group, LLC

Notes to Financial Statements
Year Ended December 31, 2023 and
Period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies (cont.)

FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. Management has reviewed the tax positions that have been taken and has concluded that no liability or disclosures are necessary. For the Company, tax positions taken include the Company's status as a limited liability company and the approval and qualification for this status.

Impairment of Long-Lived Assets

In accordance with FASB ASC 360-10-45, *Accounting for the Impairment or Disposal of Long-Lived Assets*, long-lived assets, such as property and equipment, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset (if any) are less than the carrying value of the asset. When impairment is identified, the carrying amount of the asset is reduced to its fair value.

Advertising

Advertising costs, which totaled \$243,504 and \$211,316 for the year ended December 31, 2023 and the period from June 1, 2022 through December 31, 2022, respectively, are expensed as incurred and are included in operating expenses in the statements of operations.

2. Property and Equipment

The Company's property and equipment consisted of the following:

<i>December 31,</i>	2023	<i>2022</i>
Software	\$ 8,615	\$ 8,615
Equipment	70,846	41,829
	79,461	50,444
Less accumulated depreciation	(51,897)	(46,186)
Property and equipment, net	\$ 27,564	\$ 4,258

Depreciation expense for the year ended December 31, 2023 and the period from June 1, 2022 through December 31, 2022 was \$5,710 and \$2,865, respectively.

OnAxis Franchising Group, LLC

Notes to Financial Statements
Year Ended December 31, 2023 and
Period from June 1, 2022 through December 31, 2022

3. Line of Credit

The Company had a line of credit agreement with a member dated December 2022, which allowed for maximum borrowings of \$3,500,000. Interest was payable monthly on the outstanding principal as defined in the agreement (6.00% at December 31, 2022). No amounts were drawn against the line of credit and the agreement was terminated during the year ended December 31, 2023.

4. Note Payable

In April 2023, the Company entered into a \$199,000 term loan agreement with a lender, payable in weekly installments of \$6,812 through April 2024. The note was collateralized by substantially all Company assets and was personally guaranteed by two members. The note was paid in full in August 2023.

5. Revenues and Related Contract Balances

Disaggregated Revenues

The economic risk of the Company's revenues are dependent on the strength of the United States economy and the Company's ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this best depicts how the nature, timing and uncertainty of revenue and cash flows are affected by economic factors. Revenues by timing of recognition for the year ended December 31, 2023 and the period from June 1, 2022 through December 31, 2022 are below:

	Year ended December 31, 2023	Period from June 1, 2022 through December 31, 2022
<i>Point in time:</i>		
Royalties	\$ 2,279,035	\$ 1,247,035
Franchise fees	40,924	23,490
Brand development fees	213,407	189,068
Product sales	822,597	661,311
Service fees	410,025	332,285
Other	81,931	43,721
Total point in time	3,847,919	2,496,910
<i>Over time:</i>		
Royalties	27,776	24,306
Franchise fees	367,163	209,654
Total over time	394,939	233,960
Total revenues	\$ 4,242,858	\$ 2,730,870

OnAxis Franchising Group, LLC

Notes to Financial Statements
Year Ended December 31, 2023 and
Period from June 1, 2022 through December 31, 2022

5. Revenues and Related Contract Balances (cont.)

Contract Balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, area representative fees received from the area representatives, prepaid royalties and customer deposits for product sales which are presented as deferred revenues on the accompanying balance sheet. A summary of significant changes in deferred revenues for the year ended December 31, 2023 and during the period from June 1, 2022 through December 31, 2022 is as follows:

	Year ended December 31, 2023	Period from June 1, 2022 through December 31, 2022
Deferred revenues - beginning of period	\$ 1,499,072	\$ -
Additions for fees received	306,250	236,251
Additions for deferrals assumed from related party	-	1,520,271
Revenue recognized during the period	(432,865)	(257,450)
Deferred revenues - end of period	\$ 1,372,457	\$ 1,499,072

Deferred revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

<i>Years ending December 31,</i>	Amount
2024	\$ 317,860
2025	305,395
2026	261,510
2027	215,979
2028	139,245
Thereafter	132,468
Total	\$ 1,372,457

Deferred revenues at December 31, 2023 and 2022 consist of the following:

<i>December 31,</i>	2023	2022
Franchise units not yet opened	\$ -	\$ 53,455
Opened franchise units	1,162,608	1,196,056
Area representative units	209,849	249,561
Total	\$ 1,372,457	\$ 1,499,072

OnAxis Franchising Group, LLC

Notes to Financial Statements
Year Ended December 31, 2023 and
Period from June 1, 2022 through December 31, 2022

5. Revenues and Related Contract Balances (cont.)

The direct and incremental costs, principally consisting of commissions, are included in prepaid commissions in the accompanying balance sheets. The direct and incremental costs expected to be recognized over the remaining term of the associated franchise agreements at December 31, 2023 are as follows:

<i>Years ending December 31,</i>	<i>Amount</i>
2024	\$ 140,477
2025	136,616
2026	129,063
2027	105,884
2028	54,468
Thereafter	37,537
Total	\$ 604,045

6. Brand Development

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect brand development fees up to 1% of franchisees' reported sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company.

7. Related-Party Transactions

Net Deficit Assumed from and Amounts Paid to Affiliate

Commensurate with the June 1, 2022 assignment agreement with JCFG discussed in Note 1, \$973,862 of net deficit was assigned to the Company. This amount represents the excess of liabilities assumed by the Company over assets assigned and was classified as equity as no cash settlement with JCFG is anticipated. For the year ended December 31, 2023 and during the period from June 1, 2022 through December 31, 2022, payments of \$1,568,000 and \$211,791 were made to JCFG, which are also classified as equity in the accompanying statements of equity.

Due to Member

As of December 31, 2023 and 2022, the Company had amounts due to a member totaling \$0 and \$63,461, respectively. No payment terms were established; accordingly, the amounts are included in current liabilities in the accompanying balance sheets as of December 31, 2023 and 2022.

Management Services Agreement

In August 2023, the Company entered into a management services agreement with the Class A Preferred unit holder that requires the Company pay a monthly fee to the unit holder equal to the greater of (i) \$20,000 and (ii) 5.0% of the trailing twelve month earnings before interest, taxes, depreciation, and amortization, as defined in the agreement. Amounts totaling \$89,369 were paid during the year ended December 31, 2023, which are included in operating expenses in the statements of operations.

OnAxis Franchising Group, LLC

Notes to Financial Statements
Year Ended December 31, 2023 and
Period from June 1, 2022 through December 31, 2022

8. Members' Equity

Members' equity consists of the following:

Class A Preferred Units: Holders of these units have voting rights in all matters and preferential distribution rights, as described in the operating agreement. There were 7,500,000 units authorized, issued, and outstanding as of December 31, 2023.

Class B Common Units: Holders of these units have voting rights except for certain matters, as specifically described in the operating agreement. There were 4,038,462 units authorized, issued, and outstanding as of December 31, 2023.

Class A Common Units (retired): There were 730,000 units authorized, issued, and outstanding as of December 31, 2022. The units were retired commensurate with the amended and restated operating agreement in August 2023.

Class B Common Units (retired): There were 270,000 units authorized, issued, and outstanding as of December 31, 2022. The units were retired commensurate with the amended and restated operating agreement in August 2023.

9. Employee Benefit Plan

The Company maintains a 401(k) profit sharing plan (the "Plan") for its employees. Substantially all employees of the Company may participate in the Plan provided they meet the eligibility requirements as defined in the Plan. The Company did not contribute to the Plan for the year ended December 31, 2023 and during the period from June 1, 2022 through December 31, 2022.

10. Guarantees

In November 2020, one of the members of the Company entered into a \$4,050,000 loan agreement with a financial institution (the "Member Debt"), which was guaranteed by the member and JCFG. In June 2022, the Company was added as an unlimited joint and several guarantor of the Member Debt. Monthly interest-only payments at The Wall Street Journal Prime Rate (7.50% at December 31, 2022) plus 1.5 percentage points with minimum interest rate of 4% per annum was due by the member. The Company would be obligated in the event that the member is unable to meet principal or interest payments when they become due. The total outstanding obligation of the member and possible exposure to the Company, amounted to approximately \$3,900,000 as of December 31, 2022. The loan agreement was paid in full during the year ended December 31, 2023 and the Company was released as a guarantor.

OnAxis Franchising Group, LLC

Notes to Financial Statements
Year Ended December 31, 2023 and
Period from June 1, 2022 through December 31, 2022

10. Guarantees (cont.)

In April 2021, JCFG entered into a \$250,000 line of credit agreement with a financial institution (the "LOC"), which was guaranteed by one of the members of the Company. In June 2022, the Company was added as an unlimited joint and several guarantor of the LOC. Monthly interest-only payments at The Wall Street Journal Prime Rate (7.50% at December 31, 2022) plus 3 percentage points with minimum interest rate of 6.25% per annum was due by JCFG. The Company would be obligated in the event that JCFG is unable to meet principal or interest payments when they became due. The total outstanding obligation of JCFG and possible exposure to the Company, amounted to approximately \$247,000 as of December 31, 2022. The LOC was paid in full during the year ended December 31, 2023 and the Company was released as a guarantor.

11. Commitment

The Company assumed a September 2021 JCFG agreement with a vendor, which among other terms, requires the Company to purchase a minimum of \$43,200 of product from the vendor through August 2031, at which time the agreement automatically renews for an additional five years unless either party is in material breach of the agreement. During the year ended December 31, 2023 and the period from June 1, 2022 through December 31, 2022 approximately \$418,000 and \$259,000 was purchased from the vendor under the agreement.

12. Major Vendors

The Company had two major vendors who accounted for 24% of purchases during the year ended December 31, 2023. Accounts payable to the vendors totaled \$95,786 at December 31, 2023. The products and services provided by the suppliers are available from other sources. There were no such vendors for the period from June 1, 2022 through December 31, 2022.

13. Subsequent Events

Management has evaluated events and transactions subsequent to the balance sheet date through the date of the independent auditors' report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

OnAxis Franchising Group, LLC

Financial Statements

**As of December 31, 2022
and for the period from June 1, 2022
through December 31, 2022**

OnAxis Franchising Group, LLC

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Independent Auditors' Report

To the Members
OnAxis Franchising Group, LLC

Opinion

We have audited the accompanying financial statements of OnAxis Franchising Group, LLC (a limited liability company), which comprise the balance sheet as of December 31, 2022, and the related statements of operations and accumulated deficit and cash flows for the period from June 1, 2022 through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OnAxis Franchising Group, LLC as of December 31, 2022, and the results of its operations and its cash flows for the period from June 1, 2022 through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OnAxis Franchising Group, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Urish Popeck & Co, LLC

State College, PA
May 18, 2023

OnAxis Franchising Group, LLC

Balance Sheet

December 31,	2022
Assets	
Current Assets	
Cash	\$ 186,275
Accounts receivable, net of allowance of \$4,093	117,592
Franchise fees receivable	64,966
Inventory, net of reserve of \$16,000	317,898
Prepaid commissions, current	134,742
Prepaid expenses and other current assets	38,189
Total Current Assets	859,662
Property and equipment , net of accumulated depreciation of \$46,186	4,258
Other Assets	
Trademarks	38,500
Prepaid commissions	515,475
Total Other Assets	553,975
Total Assets	\$ 1,417,895
Liabilities and Accumulated Deficit	
Current Liabilities	
Accounts payable	\$ 417,312
Accrued expenses	366,764
Funds designated for franchisee advertising	103,049
Deferred revenues, current	345,105
Due to member	63,641
Total Current Liabilities	1,295,871
Long-term Liabilities	
Deferred revenues	1,153,967
Total Liabilities	2,449,838
Accumulated Deficit	(1,031,943)
Total Liabilities and Accumulated Deficit	\$ 1,417,895

The accompanying notes are an integral part of the financial statements.

OnAxis Franchising Group, LLC

Statement of Operations and Accumulated Deficit

Period from June 1, 2022 through December 31,

2022

Revenues:

Royalties	\$ 1,271,341
Franchise fees	233,144
Brand development fees	189,068
Product sales	661,311
Service fees	332,285
Other	43,721

Total revenues 2,730,870

Cost of sales 1,254,527

Gross profit 1,476,343

Operating expenses 1,933,084

Loss from operations (456,741)

Interest expense 14,511

Net loss (471,252)

Members' equity - beginning of period 100,000

Net deficit assumed from and amounts paid to affiliate (1,185,653)

Member contributions 625,000

Member distributions (100,038)

Accumulated Deficit - end of period \$ (1,031,943)

OnAxis Franchising Group, LLC

Statement of Cash Flows

<i>Period from June 1, 2022 through December 31,</i>	2022
Cash flows from operating activities	
Net loss	\$ (471,252)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation expense	2,865
Reserve for inventory obsolescence	16,000
Changes in operating assets and liabilities	
Accounts receivable	4,536
Franchise fees receivable	(64,966)
Inventory	(98,734)
Prepaid commissions	(5,139)
Prepaid expenses and other current assets	(19,876)
Accounts payable	22,687
Accrued expenses	293,254
Funds designated for franchisee advertising	(22,323)
Deferred revenues	(21,199)
Net cash used in operating activities	(364,147)
Cash flows from investing activities	
Purchases of property and equipment	(1,263)
Cash provided by financing activities	
Due to member	(36,104)
Member distributions	(100,038)
Member contributions	625,000
Cash assigned from affiliate	174,618
Net payments to affiliate	(211,791)
Net cash provided by financing activities	451,685
Net increase in cash	86,275
Cash - beginning of period	100,000
Cash - end of period	\$ 186,275
Supplemental disclosure of cash flow information:	
Net deficit assumed from affiliate	\$ 973,862
Cash paid for interest	\$ 14,511

The accompanying notes are an integral part of the financial statements.

OnAxis Franchising Group, LLC

Notes to Financial Statements
For the period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies

The organization, business and summary of significant accounting policies of OnAxis Franchising Group, LLC (a Delaware limited liability company) (the "Company") are presented to assist in understanding the accompanying financial statements. The financial statements and notes are those of the Company, and its management is responsible for their integrity and objectivity. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Business

The Company was formed on December 29, 2021 and filed for change of name to OnAxis Franchising Group, LLC on February 10, 2022, to sell franchises in the United States of America. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the name "Green Home Solutions," which offers a menu of environmentally preferred indoor air quality solutions, including mold cleaning, odor management and disinfections.

On May 20, 2022, the Company entered into a trademark assignment agreement with JC Franchising Group, LLC ("JCFG"), an entity affiliated to the Company through common ownership and control, to purchase the trademarks associated with the registered name "Green Home Solutions." Pursuant to the trademark assignment agreement, the Company acquired the entire right, title and interest in and to the "Green Home Solutions" trademark, as further defined.

On June 1, 2022, the Company entered into an assignment agreement with JCFG whereby, JCFG assigned its interest in certain franchise, area representative and master operator agreements and certain assets and liabilities, as further specified in the assignment agreement, to the Company.

Revenue and Cost Recognition

The Company recognizes revenue in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"), and adopted FASB Accounting Standards Update ("ASU") No. 2021-02, *Franchisors - Revenue from Contracts with Customers* (Subtopic 952-606) ("ASU 2021-02"). Topic 606 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company derives substantially all its revenue from franchise agreements related to franchise fees, royalties, product sales, service fees, area representative fees, transfer fees and brand development fees.

Certain franchise fees are financed by franchisees over periods defined in the specific finance agreements. Such interest income totaled \$3,697 and is included in Other income in the accompanying statement of operations and accumulated deficit. Other sales terms are typically due immediately.

OnAxis Franchising Group, LLC

Notes to Financial Statements
For the period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies (cont.)

Franchise Fees and Royalties

Contract consideration from franchisees and area representatives consist primarily of initial or renewal franchise fees, area representative fees, sales-based royalties, sales-based brand development fees and transfer fees payable by a franchisee for the transfer of its franchise unit to another franchisee. The initial franchise fees and the area representative fees are nonrefundable and collected when the underlying agreement is signed by the franchisee and the area representative. Sales-based royalties and brand development fees are payable monthly. Renewal and transfer fees are payable when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligations under the franchise agreement include the granting of certain rights to access the Company's intellectual property in addition to a variety of activities relating to the opening of a franchise unit. Those costs would include site selection, training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under ASU 2021-02 are ~~recognized as a single performance obligation. For all other pre-opening activities, if any, the Company will~~ determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities, if any, that is not brand specific is deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property and is therefore accounted for as a separate performance obligation. All other pre-opening activities are highly interrelated to the use of the Company's intellectual property and are therefore accounted for as a component of a single performance obligation which is satisfied along with granting of certain rights to use the Company's intellectual property over the term of each franchise agreement. The Company's primary performance obligations under the area representative agreement include granting of certain rights to access the Company's intellectual property.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 is recognized when those performance obligations are satisfied.

Initial and renewal franchise fees and area representative fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective agreement.

OnAxis Franchising Group, LLC

Notes to Financial Statements
For the period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies (cont.)

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

Brand Development Fund

The Company maintains a brand development fund which was established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Brand development fund fees are collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the brand development fund and therefore recognizes the revenues and expenses related to the brand development fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand development fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the brand development fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur.

When brand development fund fees exceed the related brand development fund expenses in a reporting period, advertising costs are accrued up to the amount of brand development fund revenues recognized.

Product Sales

Revenues from product sales are recognized when control of the promised goods is transferred to the customer. The Company has elected to treat shipping and handling as fulfillment activities and not a separate performance obligation. Accordingly, the Company recognizes revenue from product sales as single performance obligation at the point of sale or at the time of shipment, which is when transfer of control to the customer occurs.

Provisions for customer volume discounts, product returns, rebates and allowances are variable considerations and are estimated and recorded as a reduction of revenue in the same period the related product revenue is recorded.

Other Revenues

All other fees will be recognized as services are rendered.

Incremental Costs of Obtaining a Contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the related franchise agreement.

OnAxis Franchising Group, LLC

Notes to Financial Statements
For the period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies (cont.)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Significant estimates in these financial statements include the valuation of pre-opening services provided to new franchisees, the allowance for doubtful accounts, and the allowance for obsolete inventory. Actual results could materially differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash maintained at various banking institutions and highly-liquid investments having a maturity of three months or less when purchased. The Company maintains its cash and cash equivalents in non-interest bearing accounts that are insured by the Federal Deposit Insurance Company up to \$250,000. The Company's deposits may, from time to time, exceed the \$250,000 limit; however, management believes that there is ~~no unusual risk present, as the Company places its cash and cash equivalents with financial institutions which~~ management considers being of high quality.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on management's experience. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers. Collections on accounts previously written off are included in income as received.

Inventory

Inventory, consisting of finished goods, is stated at the lower of cost or net realizable value. Cost is determined on the average cost method. Obsolete inventory is written off when product is no longer saleable.

Property and Equipment

Property and equipment are stated at cost. Maintenance and repairs, which are not considered to extend the useful lives of assets or improve asset productivity, are charged to operations as incurred. The cost of assets sold or retired and the related accumulated depreciation are removed from the accounts with any resulting gain or loss reflected in operations.

OnAxis Franchising Group, LLC

Notes to Financial Statements For the period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies (cont.)

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which are as follows:

Software	3 years
Computer equipment	5 years
Furniture and fixtures	5 - 7 years

Trademarks

Trademarks, which have a cost of \$35,000 at December 31, 2022, have indefinite useful lives and therefore are not amortized and are tested for impairment on an annual basis. Costs incurred to renew or extend the term of such assets are expensed as incurred.

Franchised Outlets

The following data represents the Company's franchised outlets as of and for the period from June 1, 2022 through December 31, 2022:

Franchises sold	15
Franchises assumed from related party	193
Franchised outlets in operation	204
Master operator in operation	1

*Master operator franchised outlets in operation at December 31, 2022, are not included in the franchised outlets in operation in the table above.

Income Taxes

The Company has elected to be taxed as a partnership for Federal and state income tax purposes and accordingly, the Company does not pay Federal or state income taxes on its taxable income. Instead, the Company's income or loss is passed on to the members and is reported on their individual income tax returns. Therefore, no provision for Federal or state income taxes is included in these financial statements.

FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. Management has reviewed the tax positions that have been taken and has concluded that no liability or disclosures are necessary. For the Company, tax positions taken include the Company's status as a limited liability company and the approval and qualification for this status.

OnAxis Franchising Group, LLC

Notes to Financial Statements
For the period from June 1, 2022 through December 31, 2022

1. Organization, Business and Summary of Significant Account Policies (cont.)

Impairment of Long-Lived Assets

In accordance with FASB ASC 360-10-45, *Accounting for the Impairment or Disposal of Long-Lived Assets*, long-lived assets, such as property and equipment, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset (if any) are less than the carrying value of the asset. When impairment is identified, the carrying amount of the asset is reduced to its fair value.

Advertising

Advertising costs, which totaled \$211,316 during the period from June 1, 2022 through December 31, 2022, are expensed as incurred and are included in operating expenses in the statement of operations and accumulated deficit.

2. Property and Equipment

The Company's property and equipment consisted of the following:

<i>December 31,</i>	<i>2022</i>
Software	\$ 8,615
Computer equipment	41,829
	50,444
Less accumulated depreciation	(46,186)
Property and equipment, net	\$ 4,258

Depreciation expense for the period from June 1, 2022 through December 31, 2022 was \$2,865.

OnAxis Franchising Group, LLC

Notes to Financial Statements
For the period from June 1, 2022 through December 31, 2022

3. Line of Credit

The Company has a line of credit agreement with a member dated December 2022, which allows for maximum borrowings of \$3,500,000 through June 2024. Interest is payable monthly on the outstanding principal as defined in the agreement (6% at December 31, 2022). At December 31, 2022, there was no outstanding balance, with \$3,500,000 still available for borrowing.

4. Revenues and Related Contract Balances

Disaggregated Revenues

The economic risk of the Company's revenues are dependent on the strength of the United States economy and the Company's ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this best depicts how the nature, timing and uncertainty of revenue and cash flows are affected by economic factors. Revenues by timing of recognition for the period from June 1, 2022 through December 31, 2022 are below:

<i>Point in time:</i>	
Royalties	\$ 1,247,035
Franchise fees	23,490
Brand development fees	189,068
Product sales	661,312
Service fees	190,096
Other	185,909
Total point in time	2,496,910
<i>Over time:</i>	
Royalties	24,306
Franchise fees	209,654
Total over time	233,960
Total revenues	\$ 2,730,870

OnAxis Franchising Group, LLC

Notes to Financial Statements
For the period from June 1, 2022 through December 31, 2022

4. Revenues and Related Contract Balances (cont.)

Contract Balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, area representative fees received from the area representatives, prepaid royalties and customer deposits for product sales which are presented as deferred revenues on the accompanying balance sheet. A summary of significant changes in deferred revenues during the period from June 1, 2022 through December 31, 2022 is as follows:

Deferred revenues - beginning of period	\$ -
Additions for fees received	236,251
Additions for deferrals assumed from related party	1,520,271
Revenue recognized during the period	(257,450)
Deferred revenues - end of period	\$ 1,499,072

Deferred revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

<i>Years ending December 31,</i>	<i>Amount</i>
2023	\$ 345,105
2024	284,780
2025	275,077
2026	231,073
2027	181,871
Thereafter	181,166
Total	\$ 1,499,072

Deferred revenues at December 31, 2022 consist of the following:

<i>December 31,</i>	<i>Amount</i>
Franchise units not yet opened	\$ 53,455
Opened franchise units	1,196,056
Area representative units	249,561
Total	\$ 1,499,072

OnAxis Franchising Group, LLC

Notes to Financial Statements
For the period from June 1, 2022 through December 31, 2022

4. Revenues and Related Contract Balances (cont.)

The direct and incremental costs, principally consisting of commissions, are included in prepaid commissions in the accompanying balance sheet. The direct and incremental costs expected to be recognized over the remaining term of the associated franchise agreements at December 31, 2022 are as follows:

<i>Years ending December 31,</i>	<i>Amount</i>
2023	\$ 134,742
2024	130,259
2025	126,398
2026	118,845
2027	91,576
Thereafter	48,398
Total	\$ 650,217

5. Brand Development

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect brand development fees up to 1% of franchisees' reported sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company.

6. Related-Party Transactions

Net Deficit Assumed from and Amounts Paid to Affiliate

Commensurate with the June 1, 2022 assignment agreement with JCFG discussed in Note 1, \$973,862 of net deficit was assigned to the Company. This amount represents the excess of liabilities assumed by the Company over assets assigned and was classified as equity as no cash settlement with JCFG is anticipated. During the period from June 1, 2022 through December 31, 2022, payments of \$211,791 were made to JCFG, which are also classified as equity in the accompanying statement of operations and accumulated deficit.

Due to Member

As of December 31, 2022, the Company had amounts due to a member totaling \$63,461. No payment terms were established; accordingly, the amounts are included in current liabilities in the accompanying balance sheet as of December 31, 2022.

OnAxis Franchising Group, LLC

Notes to Financial Statements
For the period from June 1, 2022 through December 31, 2022

7. Employee Benefit Plan

The Company maintains a 401(k) profit sharing plan (the "Plan") for its employees. Substantially all employees of the Company may participate in the Plan provided they meet the eligibility requirements as defined in the Plan. The Company did not contribute to the Plan during the period from June 1, 2022 through December 31, 2022.

8. Guarantees

In November 2020, one of the members of the Company entered into a \$4,050,000 loan agreement with a financial institution (the "Member Debt"), which was guaranteed by the member and JCFG. In June 2022, the Company was added as an unlimited joint and several guarantor of the Member Debt. Monthly interest-only payments at The Wall Street Journal Prime Rate (7.50% at December 31, 2022) plus 1.5 percentage points with minimum interest rate of 4% per annum is due by the member. The Member Debt matures in November 2023. The Company would be obligated in the event that the member is unable to meet principal or interest payments when they become due. The total outstanding obligation of the member and possible exposure to the Company, amounted to approximately \$3,900,000 as of December 31, 2022. The Company believes that the likelihood that it would be required to perform or incur any losses associated with this guarantee is remote.

In April 2021, JCFG entered into a \$250,000 line of credit agreement with a financial institution (the "LOC"), which was guaranteed by one of the members of the Company. In June 2022, the Company was added as an unlimited joint and several guarantor of the LOC. Monthly interest-only payments at The Wall Street Journal Prime Rate (7.50% at December 31, 2022) plus 3 percentage points with minimum interest rate of 6.25% per annum is due by JCFG. The LOC matures in June 2023. The Company would be obligated in the event that JCFG is unable to meet principal or interest payments when they become due. The total outstanding obligation of JCFG and possible exposure to the Company, amounted to approximately \$247,000 as of December 31, 2022. The Company believes that the likelihood that it would be required to perform or incur any losses associated with this guarantee is remote.

9. Commitment

The Company assumed a September 2021 JCFG agreement with a vendor, which among other terms, requires the Company to purchase a minimum of \$43,200 of product from the vendor through August 2031, at which time the agreement automatically renews for an additional five years unless either party is in material breach of the agreement. During the period from June 1, 2022 through December 31, 2022 approximately \$259,000 was purchased from the vendor under the agreement.

10. Subsequent Events

Management has evaluated events and transactions subsequent to the balance sheet date through the date of the independent auditors' report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. On April 20, 2023, the Company entered into a \$199,000 term loan agreement with a lender, payable in weekly installments through April 2024. The note is collateralized by substantially all Company assets and is personally guaranteed by two members. Management has not identified any other items requiring recognition or disclosure.

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

ONAXIS FRANCHISING GROUP, LLC

BALANCE SHEET

MARCH 31, 2023

ASSETS

Current Assets:

Cash	\$	34,291
Account receivable, net of allowance of \$4,093		120,772
Franchise fee receivable		75,537
Inventory, net of reserve of \$9,350		292,578
Prepaid commissions, current		135,000
Prepaid expenses and other current assets		21,562

Total Current Assets		679,740
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Property and equipment, net of accumulated depreciation of \$46,186		6,546
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Other Assets:

Trademarks		38,500
Prepaid commissions		522,427

Total Other Assets		560,927
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TOTAL ASSETS	\$	1,247,213
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LIABILITIES AND ACCUMULATED DEFICIT

Current Liabilities:

Accounts payable	\$	571,900
Accrued expenses		232,225
Funds designated for franchisee advertising		97,958
Deferred revenues, current		334,361
Due to member		51,150

Total Current Liabilities		1,287,594
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Long-term Liabilities:

Deferred revenues		1,152,500
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Total Liabilities		2,440,094
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Accumulated Deficit		(1,192,881)
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TOTAL LIABILITIES AND ACCUMULATED DEFICIT	\$	1,247,213
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ONAXIS FRANCHISING GROUP, LLC
STATEMENT OF OPERATIONS
PERIOD FROM JANUARY 1, 2023 THROUGH MARCH 31, 2023

Revenues:		
Royalties	\$	558,129
Franchise fees		80,544
Product sales		239,111
Service fees		73,552
Other		21,367
<hr/>		
Total revenues		972,703
Cost of sales		391,542
<hr/>		
Gross profit		581,161
Operating expenses		686,095
<hr/>		
Loss from operations		(104,934)
Interest expense		1,533
<hr/>		
NET LOSS	\$	(106,467)
<hr/>		

EXHIBIT E
LIST OF FRANCHISEES

LIST OF FRANCHISEES
AS OF DECEMBER 31, ~~2022~~2023

Franchisee	Address	Phone/Email	State	Number of Outlets
Mark Petro	2323 2nd Ave N Birmingham, AL 35203	205-243-3417 markp@greenhomesolutions.com	AL	1
Fred Fisher	7945 N Via Laguna Niguel, AZ 85743	520-639-6712 fred.fisher@greenhomesolutions.com	AZ	1
Thomas Campbell Carrie Campbell	6158 N. 9th Ave. Phoenix, AZ 85013	tom.campbell@greenhomesolutions.com carrie.campbell@greenhomesolutions.com	AZ	2
Emil Font	66 17 Mile Dr. Pacific Grove, CA 93950	831-275-7585 emil.font@greenhomesolutions.com	CA	5
James Maertz	600 Anderson St. Manhattan Beach, CA 90266	909-455-4231 james.maertz@greenhomesolutions.com	CA	6
Erik Hansen	6274 S. Grant St. Centennial, CO 80121	303-870-0119 erik.hansen@greenhomesolutions.com	CO	3
John Weir	29460 Thunderbolt Cir. Conifer, CO 80433	720-900-8004 john.weir@greenhomesolutions.com	CO	2
David Robles	100 Mill Plain Rd. Danbury, CT 6811	203-628-2227 david.robles@greenhomesolutions.com	CT	8
Christopher (Dustin) Maurice	175 Tower Ave Groton, CT 6340	860-235-5371 dustin.maurice@greenhomesolutions.com	CT	3
Tim Panella	37 Ballard Dr. West Hartford, CT 06119	860-418-7588 tim.panella@greenhomesolutions.com	CT	5
Steven Ridgewell	Old Bridge Drive Bluffton, SC 29910	774-314-1417 steven.ridgewell@greenhomesolutions.com	GA	2
Justin MacNaughton Malcolm MacNaughton	109 Elliott Industrial Dr. Suite D Woodstock, GA 30189	855-546-8783 justin@trueenviro.com nappym@gmail.com	GA	3
Michael Douglas Staci Douglas	PO Box 164 Dalton, GA 30722	423-648-6653 michael.douglas@greenhomesolutions.com staci.douglas@greenhomesolutions.com	GA	1
Liam Knott	5796 Whispering Pines Way Evans, GA 30809	612-505-3831 liam.knott@greenhomesolutions.com	GA	1
Chris Eldridge	146 Wailupe Circle Honolulu, HI 96821	808-397-9860 chris.eldridge@greenhomesolutions.com	HI	1
Michael Murtha	10098 Lincoln Ave. Clive, IA 50325	515-805-6398 mike.murtha@greenhomesolutions.com	IA	2

Franchisee	Address	Phone/Email	State	Number of Outlets
Erik Sager	2041 Johns Dr. Glenview, IL 60025	312-757-4667 eriks@greenhomesolutions.com	IL	2
James Blandi	367 S. Rohlwing Road, Suite O Addison, IL 60110	630- 847-0013 james.blandi@greenhomesolutions.com	IL	5
Benjamin White	54 Spring Lake Court Trafalgar, IN 46181	317-660-6171 ben.white@greenhomesolutions.com	IN	3
Brent Hernandez	1419 Gauley River Dr. Mishawaka, IN 46544	574-300-3793 brent.hernandez@greenhomesolutions.com	IN	2
Ray Vanderpool	PO Box 865 Irvine, KY 40336	859-913-0847 ray.vanderpool@greenhomesolutions.com	KY	1
Christopher Cutter Glenn Klausner	50 Drumlin Hill Rd. Bolton, MA 1740	978-728-3441 christopher.cutter@greenhomesolutions.com glenn.klausner@greenhomesolutions.com	MA	7
Christopher Cutter Glenn Klausner	24 Hardy Dr. Leominster, MA 1453	978-728-3441 christopher.cutter@greenhomesolutions.com glenn.klausner@greenhomesolutions.com	MA	4
Keith DiGregorio Ryan DiGregorio	10 Camp Rd. Friskdale, MA 01518	774-200-8157 keith.digregorio@greenhomesolutions.com ryan.digregorio@greenhomesolutions.com	MA	4
Ray Leung Mihir Shah Steven Dubois	1A Spaceway Ln Hopedale, MA 1747	508-779-5501 ray.leung@greenhomesolutions.com mihir.shah@greenhomesolutions.com steven.dubois@greenhomesolutions.com	MA	12
Delkin Gonzalez Michael Schornack	15 Coughlin St. Acton, MA 1720	978-429-1973 delkin.gonzalez@greenhomesolutions.com michael.schornack@greenhomesolutions.com	MA	2
Jason Toliver	7131 Liberty Rd STE 204 Baltimore, MD 21207	410-982-6340 jason.toliver@greenhomesolutions.com	MD	5
Brian Preuss	2588 Vance Dr. Mount Airy, MD 21771	443-409-3001 brian.preuss@greenhomesolutions.com	MD	9
Chris Lussier	19 Miles Rd. Windham, ME 4062	207-819-4119 chris.lussier@greenhomesolutions.com	ME	2
Charles Clark	4870 154th Ln. NW Ramsey, MN 55303	612-964-6679 charles.clark@greenhomesolutions.com	MN	7
Richard (Mike) Barnes	13054 Canal Rd Gulfport, MS 39503	228-265-9457 mike.barnes@greenhomesolutions.com	MS	1
Stephen Paddison Tracy Poff	6840 Cameron Glen Dr. Charlotte, NC 28210	704-312-8557 stephen.paddison@greenhomesolutions.com tracy.poff@greenhomesolutions.com	NC	2

Franchisee	Address	Phone/Email	State	Number of Outlets
Justin Crawford	5516 Stickleback Dr Fuquay-Varina, NC 27526	919-473-6053 justin.crawford@greenhomesolutions.com	NC	5
Chris Toufas Keith Fields	145 Wentz Circle Danville, VA 24541	336-663-2141 chris.toufas@greenhomesolutions.com keith.fields@greenhomesolutions.com	NC	3
Evan McIntosh	1986 Old Fanning Bridge Rd. Mills River, NC 28759	828-332-3087 evan.mcintosh@greenhomesolutions.com	NC	2
Ryan Bass	505 Powell Ct. Hubert, NC 28539	252-367-6781 ryan.bass@greenhomesolutions.com	NC	3
Delkin Gonzalez Michael Schornack	15 Coughlin St. Acton, MA 1720	978-429-1973 delkin.gonzalez@greenhomesolutions.com michael.schornack@greenhomesolutions.com	NH	2
Joe Picciallo	14 Forest Dr. Succasunna, NJ 07876	973-668-4350 joe.picciallo@greenhomesolutions.com	NJ	4
John Frinzi	343 N. Prospect St. Washington, NJ 7882	908-455-8003 john.frinzi@greenhomesolutions.com	NJ	3
Mark VanWormer	7242 Silver Charm Court Las Vegas, NV 89131	702-672-6479 mark.vanwormer@greenhomesolutions.com	NV	1
Blake Hall	1501 Eagles Ridge Rd. Brewster, NY 10509	914-393-3192 blake.hall@greenhomesolutions.com	NY	1
Stephen Hersh	18 Emwilton Place Ossining, NY 10562	914-944-3061 stephen.hersh@greenhomesolutions.com	NY	1
Michael Stoeckle Diane Stoeckle	6 Mountain View Circle Plattsburgh, NY 12901	518-534-6136 michael.stoeckle@greenhomesolutions.com diane.stoeckle@greenhomesolutions.com	NY	1
Joshua Mattingly	307 Kirkpatrick St. Syracuse, NY 13208	315-383-1803 josh.mattingly@greenhomesolutions.com	NY	1
Junaid Hasan Azam Kazmi Ajmal Kazmi	1925 St. Clair Ave Cleveland, OH 44114	216-810-6200 ajmal.kazmi@greenhomesolutions.com	OH	4
Carly Mitchell Mike Mitchell	21505 Oakhurst Ln. Strongsville, OH 44149	216-373-0617 carlym@greenhomesolutions.com mikem@greenhomesolutions.com	OH	1
James Blandi	2670 Washington Road Canonsburg, PA 15317	630-847-0013 james.blandi@greenhomesolutions.com	PA	2
Dan Anderson	6145 Post Rd. Unit 5 North Kingstown, RI 02852	401-871-3335 dan_a@greenhomesolutions.com	RI	4
Ray Leung Mihir Shah	1A Spaceway Ln Hopedale, MA 01747	508-779-5501 ray.leung@greenhomesolutions.com	RI	2

Franchisee	Address	Phone/Email	State	Number of Outlets
Steven Dubois		mihir.shah@greenhomesolutions.com steven.dubois@greenhomesolutions.com		
Joe Lange	115 Blackhead Rd. NW Atlanta, GA 30342	843-608-1425 joe.lange@greenhomesolutions.com	SC	4
Nicholas Cooper Rachael Cooper	1009 Bassett Way Indian Land, SC 29707	803-818-8028 nicholas.cooper@greenhomesolutions.com rachael.cooper@greenhomesolutions.com	SC	2
James Montgomery Ian Reed	1315 Mariners Rest Dr. N. Myrtle Beach, SC 29582	843-315-9262 rob.montgomery@greenhomesolutions.com ian.reed@greenhomesolutions.com	SC	2
Steven Ridgewell	Old Bridge Drive Bluffton, SC 29910	774-314-1417 steven.ridgewell@greenhomesolutions.com	SC	1
Liam Knott	5796 Whispering Pines Way Evans, GA 30809	612-505-3831 liam.knott@greenhomesolutions.com	SC	1
Michael Douglas Staci Douglas	PO Box 164 Dalton, GA 30722	423-648-6653 michael.douglas@greenhomesolutions.com staci.douglas@greenhomesolutions.com	TN	2
Alissa Thompson	5422 Old Salem Rd Rockvale, TN 37153	615-380-4222 alissa.thompson@greenhomesolutions.com	TN	3
Erick Saavedra	7531 Rain Meadow Ln Cypress, TX 77433	713-419-7506 erick.saavedra@greenhomesolutions.com	TX	1
Brian Brady Andy Brady	214 Savannah Dr. Roanoke, VA 24012	540-339-3212 brian.brady@greenhomesolutions.com andy.brady@greenhomesolutions.com	VA	16
John Whitaker Marlyse Whitaker	2477 Quarles Rd. Thaxton, VA 24174	540-597-9789 john.whitaker@greenhomesolutions.com marlyse.whitaker@greenhomesolutions.com	VA	2
Roy Coupland Maria Heerema	21296 Highwood Ct. Sterling, VA 20165	833-395-0780 roy.coupland@greenhomesolutions.com maria.coupland@greenhomesolutions.com	VA	4
Julie Brown	PO Box 113 Montpelier, VT 5601	877-570-5550 julie.brown@greenhomesolutions.com, jbrown@greenhomesolutions.com	VT	3
Chris Cothren David Simmons Peter Monico Garrett Everton	PO Box 511 Snowshoe, WV 26209	304-370-4660 chris.cothren@greenhomesolutions.com david.simmons@greenhomesolutions.com peter.monico@greenhomesolutions.com garrett.everton@greenhomesolutions.com	WV	2

|

EXHIBIT E-1

The following are the names, addresses and telephone numbers of every franchisee who had an outlet terminated, canceled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year; or has not communicated with the franchisor within the 10 weeks of the disclosure document issuance date.

Franchisee	Location	Contact Info.	State	Number of Outlets
Justin MacNaughton Malcolm MacNaughton	Lake Forest, CA 92630	855-546-8783 justin@trueenviro.com, nappym@gmail.com	CA	10
Eitan Harod	Redondo Beach, CA 90277	424-287-4224 eitan.harod@greenhomesolutions.com	CA	2
Ray Vanderpool (This franchisee moved to Kentucky and opened his outlet in Kentucky)	Plant City, FL 33566	863-220-5146 ray.vanderpool@greenhomesolutions.com	FL	1
Michael Douglas Staci Douglas	Dalton, GA 30722	423-648-6653 michael.douglas@greenhomesolutions.com, staci.douglas@greenhomesolutions.com	GA	1
Ray Leung Mihir Shah Steven Dubois	Hopedale, MA 01747	508-779-5501 ray.leung@greenhomesolutions.com, mihir.shah@greenhomesolutions.com, steven.dubois@greenhomesolutions.com	MA	1
Steve Stern	W. Duluth, MN 55806	218-576-5293 steve.stern@greenhomesolutions.com	MN	1
Michael Keeton	Brandon, MS	601-988-7840 michael.keeton@greenhomesolutions.com	MS	1
Julie Brown	Montpelier, VT 5601	877-570-5550 jbrown@greenhomesolutions.com	NH	2 transferred, 4 terminated
Melissa Russell James Russell	Tyrone, PA 16686	855-724-7336 melissa.russell@greenhomesolutions.com, james.russell@greenhomesolutions.com	PA	5 terminated, 3 ceased operations
Joe Lange	Atlanta, GA 30342	843-608-1425 joe.lange@greenhomesolutions.com	SC	1
Michael Douglas Staci Douglas	Dalton, GA 30722	423-648-6653 michael.douglas@greenhomesolutions.com, staci.douglas@greenhomesolutions.com	TN	1
Rick Larsen	West Jordan, UT 84088	385-240-4936 rick.larsen@greenhomesolutions.com	UT	1

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

EXHIBIT F
CONFIDENTIAL BRAND STANDARDS MANUAL TABLE OF CONTENTS

CONFIDENTIAL BRAND STANDARDS MANUAL

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EXHIBIT G
STATEMENT OF PROSPECTIVE FRANCHISEE

STATEMENT OF PROSPECTIVE FRANCHISEE

DO NOT SIGN THIS STATEMENT IF YOU ARE A RESIDENT OF MARYLAND OF THE BUSINESS IS TO BE OPERATED IN MARYLAND.

THIS DOCUMENT WILL NOT BE SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

As you know, you and we are entering into a Franchise Agreement for the operation of a Green Home Solutions Franchised Business. The purpose of this Statement is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgements and Representations.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least fourteen calendar days before signing the Franchise Agreement?

Check one: () Yes () No. If no, please comment:

2. Have you studied and reviewed carefully, our Disclosure Document and Franchise Agreement?

Check one: () Yes () No. If no, please comment:

3. Did you understand all the information in both the Disclosure Document and Franchise Agreement?

Check one: () Yes () No. If no, please comment:

4. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in the Disclosure Document?

Check one: () Yes () No. If yes, please state in detail the oral, written or visual claim or representation:

5. Did any employee or other person speaking on behalf of OnAxis Franchising Group, LLC (note that franchisees are not considered a person speaking on behalf of OnAxis Franchising Group, LLC) make any oral, written, or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Green Home Solutions location or business, or the likelihood of success at your franchise business?

Check one () Yes () No. If yes, please state in detail the oral, written or visual claim or representation:

6. Did any employee or other person speaking on behalf of OnAxis Franchising Group, LLC make any statement or promise on the costs involved in operating a franchise that is contrary to, or different from, the information in the Disclosure Document?

Check one: () Yes () No. If yes, please comment:

7. Except as may be stated in Item 19 of the Disclosure Document, did any employee or other person speaking on behalf of OnAxis Franchising Group, LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Green Home Solutions location or business or the likelihood of success at your franchised business?

Check one: () Yes () No. If yes, please state in detail the oral, written or visual claim or representation:

8. Do you understand that the franchise granted is for the right to develop a Green Home Solutions Franchised Business in a certain Territory and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations, as we determine, outside your [Protected Territory](#)? Check one: () Yes () No. If no, please comment:

9. Do you understand that the Franchise Agreement and Disclosure Document contain the entire agreement between you and us concerning your Green Home Solutions franchise rights, meaning that any prior oral or written statements not set out in the Franchise Agreement or Disclosure Document will not be binding?

Check one: () Yes () No. If no, please comment:

10. Do you understand that the success or failure of your Green Home Solutions ~~business~~Franchised Business will depend in large part on your skills and experience, your business acumen, your location, the local market for your products and services, the economy, the number of employees you hire, competition and other economic and business factors?

Check one () Yes () No. If no, please comment:

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS STATEMENT, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS OWNERS MUST SIGN BELOW.

**APPROVED ON BEHALF OF ONAXIS FRANCHISEE:
FRANCHISING GROUP, LLC**

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

Name of Entity: _____

By: _____

Printed Name: Jeff Panella

Title: President & CEO

Date: _____

Owners of Franchisee:

[Name of Owner], Individually

[Name of Owner], Individually

[Name of Owner], Individually

Signed: _____

Print Name: _____

Date: _____

~~APPROVED ON BEHALF OF ONAXIS FRANCHISING GROUP, LLC~~

Signed: _____

_____~~Jeff Panella, President and Chief Executive Officer~~

Date: _____

EXHIBIT H
STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin."

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I
DISCLOSURE DOCUMENT RECEIPTS

Exhibit I Page 1

Exhibit "I"

RECEIPT

(Our Copy)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document carefully.

If OnAxis Franchising Group, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If OnAxis Franchising Group, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit B.

The name, principal business address and telephone number of each franchise seller offering the franchise is: OnAxis Franchising, Group, LLC, 136 School Street, #286, Spring Mills, PA 16875, 800-SOLUTIONS and [Individual salesperson name added on FDD dispatch].

Issuance Date: ~~May 18, 2023, as amended August 25, 2023~~ April 15, 2024

I have received a Disclosure Document dated ~~May 18, 2023, as amended August 25, 2023~~ April 15, 2024, that included the following Exhibits:

- A. State Addendum
- B. State Administrators and Agents for Service of Process
- C. Green Home Solutions® Franchise Agreement
- D. Financial Statements
- E. List of Franchisees
- F. Confidential Brand Standards Manual Table of Contents
- G. Statement of Prospective Franchisee
- H. State Effective Dates
- I. Disclosure Document Receipts

Date

Signature

Printed Name

Date

Signature

Printed Name

RECEIPT
(Your Copy)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document carefully.

If OnAxis Franchising Group, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If OnAxis Franchising Group, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit B.

The name, principal business address and telephone number of each franchise seller offering the franchise is: OnAxis Franchising, Group, LLC, 136 School Street, #286, Spring Mills, PA 16875, 800-SOLUTIONS and [Individual salesperson name added on FDD dispatch]

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- E. List of Franchisees
- F. Confidential Brand Standards Manual Table of Contents
- G. Statement of Prospective Franchisee
- H. State Effective Dates
- I. Disclosure Document Receipts

Date

Signature

Printed Name

Date

Signature

Printed Name