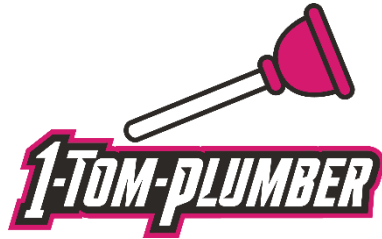


FRANCHISE DISCLOSURE DOCUMENT



1 TOM PLUMBER GLOBAL LLC
(an Ohio limited liability company)
6700 Forum Dr, Ste 150
Orlando, Florida 32821-8013
1-855-832-6866
angie@1tomplumber.com
www.1tomplumber.com

We offer franchises to operate a 1-Tom-Plumber® plumbing business focused on emergency plumbing services and repairs at commercial and residential properties. The total investment necessary to begin operation of a 1 Tom Plumber franchise ranges from \$238,307 to \$454,248. This includes \$49,000-\$54,000 that must be paid to the franchisor as an initial franchise fee.

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, us or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Justin Ghadery, at 1 Tom Plumber Global LLC, 6700 Forum Drive, Suite 150, Orlando, FL 32821 or by phone at 1-855-832-6866.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's 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.

The Issuance Date of this Disclosure Document is April 1, 2026

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 Unit 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 I.
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 F 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 Units.
Will my business be the only 1-Tom-Plumber 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 1-Tom-Plumber franchisee?	Item 20 or Exhibit I lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	Those 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 G.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation in the city and state of our then-current National Headquarters (presently Orlando, Florida). Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.
2. **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. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

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

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

1. 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.

2. 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 such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

3. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

4. 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.

5. 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.

6. 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:

(a) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(b) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

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

(d) 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.

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

8. 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise
G. Mennen Williams Building 525 West Ottawa, 1st Floor
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, we will use the words “we,” “us” and “our” when referring to 1 Tom Plumber Global LLC (the “Franchisor”) and the words “you” and “your” when referring to the legal entity which buys a 1-Tom-Plumber franchise (the “Franchisee”). The words “you” and “your” do not include any individual or business entity which owns an interest in you. We will require all individuals and business entities that own an interest in the Franchisee to guarantee its obligations to us. We refer to each distinct business operated under our Franchise Agreement as a “Unit” or “Franchised Business” and each business operated by an affiliate of the Franchisor as a “Company Unit.”

The Franchisor, its Parents, Predecessors and Affiliates

We were incorporated as an Ohio corporation on January 27, 2020, and converted to an Ohio limited liability company on November 25, 2025. Our principal business address is 6700 Forum Dr, Ste 150, Orlando, Florida 32821-8013. We conduct business under the name of 1 Tom Plumber. The names and addresses of our agents for service of process appear on Exhibit G to this Disclosure Document. We have offered 1 Tom Plumber franchises in the United States since October 2020. We have not, and do not, operate any unit or conduct any other business activities other than franchising. We have not offered and do not offer franchises in any other line of business.

Our affiliate, 1 Tom Plumber Brand LLC (“Brand”), was incorporated as an Ohio corporation on January 27, 2020, and converted to an Ohio limited liability company on November 25, 2025. Its principal business address is 6700 Forum Dr, Ste 150, Orlando, Florida 32821-8013. Brand is the owner of all the 1 Tom Plumber Marks and the System.

On November 28, 2025, Clintar, Inc. acquired 100% of our issued and outstanding membership interests. As a result of this transaction, our parent is Clintar, Inc. d/b/a EverSmith Brands (“EverSmith Brands”), a Delaware corporation formed on July 2, 2021, with an address at 6700 Forum Drive, Suite 150, Orlando, FL 32821. EverSmith Brands’ parent is EverSmith Brands Intermediate Holding Company (f/k/a Clintar Intermediate Holding Company), a Delaware corporation formed on November 25, 2020, and EverSmith Brands Holding Company (f/k/a Clintar Holding Company), a Delaware corporation formed on November 25, 2020, each with an address of 6700 Forum Drive, Suite 150, Orlando, FL 32821. EverSmith Brands Holding Company (f/k/a Clintar Holding Company) is directly or indirectly controlled by Riverside Micro-Cap Fund V, L.P. and Riverside Micro-Cap Fund V-A, L.P. each of which are Delaware limited partnerships that maintain their principal place of business at 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111. As of December 31, 2025, we had 56 franchises operating in the United States.

Our affiliate U.S. Lawns, Inc. (“U.S. Lawns”) has offered franchises under the mark “U.S. Lawns” since August 1986. U.S. Lawns’ principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A U.S. Lawn franchise offers outdoor commercial property and landscaping services. As of December 31, 2025, U.S. Lawns had 208 franchises operating in the United States.

Our affiliate milliCare Franchising, LLC (“milliCare”) and its predecessors have offered franchises since January 2011. milliCare’s principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A milliCare franchise offers cleaning and maintenance of floor coverings and interior finishes and related services under the mark “milliCare Floor & Textile Care.” As of December 31, 2025, milliCare had 48 franchises operating in the United States and 9 international franchises.

Our affiliate Kitchen Guard Franchising, Inc. (“Kitchen Guard”) has offered franchises since August 2023. Kitchen Guard’s principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A Kitchen Guard franchise offers commercial kitchen exhaust system cleaning, inspection, maintenance, and restoration services. As of December 31, 2025, Kitchen Guard had 38 franchises operating in the United

States.

Our affiliate Restoration Specialties Franchise Group, LLC (“Prism Specialties”) has offered franchises since April 2012 and in September 2021 the franchises have operated under the mark “Prism Specialties.” Prism Specialties’ principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A Prism Specialties franchise offers electronic, art, textile, and document recovery, repair, and restoration services. As of December 31, 2025, Prism Specialties had 90 franchisees operating in the United States.

Our affiliate The Seals Franchising, LLC (“The Seals”) has offered franchises since August 2019. The Seals’ principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A The Seals franchise offers the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware and cutting board. As of December 31, 2025, The Seals had 6 franchises operating in the United States.

Our affiliate Restoration Specialties Franchise Group, LLC is a Michigan limited liability company formed on March 23, 2012, with its principal business address at 12001 Levan Road, Livonia, MI 48150, offers restoration service franchises under the mark “Prism Specialties”. As of December 31, 2025, there were 90 Prism Specialties franchises operating in the United States.

Our affiliate TruServe Groundscare, Inc. is an Ontario corporation formed on January 1, 2008, with an address at 200 Cachet Wood Court, Unit 119, Markham, ON, Canada L6C 0Z8, offers outdoor commercial property service franchises under the “Clintar Commercial Outdoor Services” mark in Canada. Our affiliate and its predecessor have offered Clintar Commercial Outdoor Services franchises since 1982. As of December 31, 2025, there were 21 franchised Clintar Commercial Outdoor Services businesses operating in Canada.

EverSmith Brands, our parent company, is also the parent company of our affiliates listed above.

Riverside Company, a global private equity firm focused on investing in and acquiring growing businesses, manages the investment funds that are the owner of EverSmith Brands Holding Company. The Riverside Company maintains its principal business address at 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111.

While there is no common control between EverSmith Brands and the franchise platforms listed below and therefore are not considered affiliates required to be disclosed in Item 1, we disclose these franchise companies as The Riverside Company also manage various investment funds that own, in whole or in part, directly or indirectly, these other franchise companies.

Evive Brands

ALL Franchising, LLC (“ALL”) and its predecessors have offered franchises under the mark “Assisted Living Locators” since May 2006. ALL’s principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. An Assisted Living Locators franchise assist seniors and their families in locating assisted living facilities, memory care communities, nursing homes, senior care homes and independent living senior communities. As of December 31, 2025, ALL had 171 franchises operating in the United States.

B & P Burke, LLC (“B&P”) has offered franchises under the mark “Grasons” since May 2014. B&P’s principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. A Grasons franchise offers estate sale and business liquidation services. As of December 31, 2025, B&P had 69 franchises operating in the United States.

Brothers Parsons Franchising LLC (“Brothers”) and its predecessor have offered franchises under the mark “The Brothers that just do Gutters” since July 2015. Brothers’ principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 8525. A “The Brothers that just do Gutters” franchise provides gutter installation, maintenance, cleaning, repair, and related services and products. As of December 31, 2025, Brothers had 401 franchises operating in the United States.

Executive Home Care Franchising, LLC (“Executive Care”) has offered franchises under the mark “Executive Home Care” since June 2013. Executive Home Care’s principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. An Executive Home Care franchise offers in-home comprehensive care and medical services to home care clients, and supplemental healthcare staffing services to institutional clients. As of December 31, 2025, Executive Care had 79 franchises operating in the United States.

MB Franchise Holdings, Inc. (“MB”) and its predecessors have offered franchises under the mark “Maid Brigade” since June 1984. MB’s A Maid Brigade franchise provides supervised team cleaning services to home and light commercial offices and related services and products. As of December 31, 2025, MB had 286 franchises operating in the United States.

Pacific Lawn Sprinklers Franchise LLC (“Pacific Lawn”) and its predecessors have offered franchises under the “Pacific Lawn Sprinklers” marks since November 2023. Pacific Lawn’s principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 8525. A Pacific Lawn franchise provides installation and maintenance services. As of December 31, 2025, Pacific Lawn had 71 franchises operating in the United States.

Shine Development LLC (“Shine”) and its predecessors have offered franchises under the “Shine” marks since March 2012. Shine’s principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 8525. A Shine franchise offers residential and commercial window cleaning, pressure washing, house detailing, and holiday and outdoor lighting services. As of December 31, 2025, Shine had 77 franchises operating in the United States.

Head-to-Toe Brands

BCC Franchising, LLC (“BCC”) and its predecessor have offered franchises since March 2007 under the mark “Bishops”. BCC’s principal business address is 550 Reserve Street, Suite 380, Southlake, TX 76092. A Bishops franchise offers haircuts, coloring, and barber services. As of December 31, 2025, BCC had 40 franchises operating in the United States.

Crown Extension Bar, LLC (“Crown”) has offered franchises since December 2025 under the mark “Delta Crown.” Delata Crown’s principal business address is 550 Reserve Street, Suite 380, Southlake, TX 76092. A Delta Crown franchise offers semi-permanent hair extensions and hair extension related salon services. As of December 31, 2025, Delta Crown had 1 franchise operating in the United States.

Frenchies, LLC (“Frenchies”) has offered franchises under the mark “Frenchies Modern Nail Care” since April 2015. Frenchies’ principal business address is 550 Reserve Street, Suite 380, Southlake, TX 76092. A Frenchies Modern Nail Care franchise offers hand and foot care. As of December 31, 2025, Frenchies had 26 franchisees operating in the United States.

The Lash Franchise Holdings, LLC (“Lash”) and its predecessor has offered franchises under the mark “Lash Lounge” since March 2010. Lash’s principal business address is 550 Reserve Street, Suite 380, Southlake, TX 76092. A Lash Lounge franchise offers permanent and temporary eyelash and eyebrow extensions and other eye enhancing services. As of December 31, 2025, Lash had 131 Lash Lounge franchises in the United States.

Best Life Brands

Blue Moon Franchise Systems, LLC (“Blue Moon”) has offered franchises under the mark “Blue Moon Estate Sales” since August 2013. Blue Moon’s principal business address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. A Blue Moon franchise sells personal property as well as the provision of consignment sales for those who are downsizing, relocating, or are deceased. As of December 31, 2025, Blue Moon had 136 franchises in operation in the United States.

Boost Franchise Systems, LLC (“Boost”) has offered franchises under the mark “Boost Home Healthcare: since July 2021. Boost’s principal business address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. A

Boost franchise offers intermittent care ordered by a doctor and performed by a home health aide and other licensed healthcare providers to patients of all ages with acute and chronic long term complex health conditions within the patient's residence or within health care facilities. As of December 31, 2025, Boost had 3 franchises in operation in the United States.

CarePatrol Franchise Systems, LLC ("CarePatrol") and its predecessor has offered franchises under the "CarePatrol" mark since April 2009. CarePatrol's principal address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. A CarePatrol franchise offers senior living placement, referral, and consulting services to families. As of December 31, 2025, CarePatrol had 215 Care Patrol franchises operating in the United States and 2 in Canada.

ComForCare Franchise Systems, LLC ("ComForCare") and its predecessor has offered franchise under the mark "ComForCare Home Care" since April 2021. ComForCare's principal business address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. A ComForCare Home Healthcare franchise offers (i) companionship and personal/domestic care services, and other special needs services, primarily on a non-medical basis, for seniors and people of all ages so that they may remain in their residences, (ii) supplemental healthcare staffing services for persons who need this kind of assistance in their home or a facility in which they reside, and (iii) private duty nursing services. As of December 31, 2025, ComForCare had 270 franchises operating in the United States and 19 in Canada.

Next Day Access, LLC ("Next Day") has offered franchises under the "Next Day Access: mark since 2012. Next Day's principal business address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. A Next Day Access franchise offers ramps and other products and accessories that enhance the life of physically disabled or challenged persons. As of December 31, 2025, Next Day had 91 franchises operating in the United States and 1 in Canada.

Threshold Brands

Maid Pro Franchise, LLC ("MaidPro") has offered franchises under the "Maid Pro" mark since February 1997. MaidPro's principal business address is 77 North Washington Street, Boston, MA 02114. A Maid Pro franchise offers home cleaning services for residential and commercial customers. As of December 31, 2025, MaidPro had 255 franchises operating in the United States and 14 in Canada.

Men In Kilts US, LLC ("MIK") has offered franchises under the mark "Men in Kilts" since March 2019. MIK's principal place of business is 77 North Washington Street, Boston, MA 02114. A Men in Kilts franchise offers window cleaning, gutter cleaning, pressure washing, siding cleaning, snow removal and other related services. As of December 31, 2025, MIK had 27 franchises operating in the United States.

Pestmaster Franchise Network, LLC ("Pestmaster") and its predecessor has offered franchises under the "Pestmaster" mark since June 2021. Pestmaster's principal business address is 9716 South Virginia Street, Suite E, Reno, NV 89511. A Pestmaster franchise offers structural and agricultural pest control and related services. As of December 31, 2025, Pestmaster had 75 franchises operating in the United States.

USA Insulation Franchise, LLC ("USA Insulation") has offered franchises under the "USA Insulation" mark since March 2006. USA Insulation's principal business address is 17700 Saint Clair Avenue, Cleveland, OH 44110. A USA insulation franchise offers residential insulation services. As of December 31, 2025, USA Insulation had 96 franchises operating in the United States.

Granite Garage Floors Franchising, LLC ("Granite") has offered franchises under the mark "Granite Garage Floors" since June 2013. Granite's principal business address is 110 Mansell Circle, Suite 375, Roswell, GA 30075. A Granite Garage Floors franchise sells and installs residential garage floor coating systems. As of December 31, 2025, Granite had 57 franchises operating in the United States.

Mold Medics Franchising LLC ("Mold Medics") has offered franchises under the "Mold Medics" mark since December 2020. Mold Medics' principal business address is 811 Washington Avenue, Carnegie, PA 15106. A Mold Medics franchise offers mold remediation, air duct cleaning, radon testing and mitigation

services, and other services and products. As of December 31, 2025, Mold Medics had 18 franchises operating in the United States.

Sir Grout Franchising, LLC (“Sir Grout”) has offered franchises under the “Sir Grout” mark since August 2007. Sir Grout’s principal business address is 77 North Washington Street, Boston, MA 02114. A Sir Grout franchise offers grout and tile cleaning, sealing, caulking and restoration services and other services. As of December 31, 2025, Sir Grout had 91 franchises operating in the United States.

Miracle Method LLC (“Miracle”) and its predecessors have offered franchises under the “Miracle Method” mark since September 1996. Miracle’s principal business address is 4310 Arrowswest Drive, Colorado Springs, CO 80907. A Miracle Method franchise offers refinishing and restoration of bathtubs, sinks, showers, tiles, countertops, and similar surfaces. As of December 31, 2025, Miracle Method had 213 franchises (inclusive of sub-franchises) and 2 master franchises operating in the United States.

PHP Franchise, LLC (“PHP”) has offered plumbing service franchises under the mark “Plumbing Paramedics” and heating and air conditioning installation and service franchises operating under the mark “Heating + Air Paramedics” since November 2021. PHP’s principal business address is 750 E. 150th Street. Noblesville, IN 46060. As of December 31, 2025, PHP had 15 Plumbing Paramedics and 22 Heating + Air Paramedics franchises operating in the United States.

The Business and Franchise We Offer

We offer the opportunity to establish and operate a drain cleaning and full-service plumbing business (the “Franchised Business”) at a single, defined location (the “Franchised Location”) within the “Operating Area” (defined below) using our methods of operation (the “System”) that includes our standards for the performance of services and operation of the Franchised Business (“System Standards”), trademarks, service marks, trade names, logos and commercial symbols (the “Marks”), the content in printed or on-line materials (the “Materials”), the content in our “Operations Manual”, which may present and compile our policies and procedures for vehicle and vehicle wrap, trade dress, service performance, equipment, signage, sales and marketing, pricing guidelines, staff and employee training, customer service and retention programs, accounting, recordkeeping and reporting, customer loyalty programs, third party referral marketing, information technology (IT) and our assistance with advertising, promotion, public relations, and social media programs, all of which we may change, update, delete, improve and further develop over time.

A typical 1-Tom-Plumber Franchise offers professional, prompt, and punctual drain cleaning and plumbing services focused on emergency services and repairs for commercial and residential properties (“Services”). Our methods for emergency drain cleaning and full-service plumbing updates traditional industry approaches with modern marketing and pricing models. Some Franchised Businesses offer all the Services while others only offer some of the Services. The Franchise Agreement prohibits a Franchised Business from performing new construction plumbing installations or planned remodeling of existing plumbing fixtures for commercial or residential properties without obtaining the prior written consent of Franchisor.

Each Franchised Business is assigned a primary operating area where its business efforts should be concentrated (the “Operating Area”) and operates from a central office (the “Central Office”) in light industrial space where administrative functions can be performed and the trucks, equipment, supplies and inventory of the Unit can be securely stored and maintained. You are not permitted to have a customer accessible showroom or design center at the Central Office or elsewhere. The Operating Area is defined by zip codes, and all of your marketing must target the Operating Area. We may authorize adding a zip code to your Operating Area if you request an addition and we determine you can support the clientele in that zip code. If we believe that the Operating Area you request is too large to be served from a single Central Office, we reserve the right to require that you purchase a separate franchise and maintain a second Central Office for the separate Operating Area.

We will operate a call forwarding system for fulfilling requests to provide Services. Customers will call our toll-free phone number or interact with our consumer website, and we will forward the customer to you if the zip code of the service location is within your Operating Area. If the Services are to be performed in a zip code that is not in the Operating Area of a franchisee, we will assign the Services, in our sole discretion, to a franchisee whom we deem capable to perform the Services. If a customer contacts you directly about performing Services within your Operating Area, you may perform the work and report on the Services as we require in the Operations Manual. If you receive a request for Services to be performed at a service location in the Operating Area of another franchisee or a Company Unit, you must report the request to us when you receive it and we will assign such requests for Services to the other franchisee or the Company Unit that serves that Operating Area.

We require all our Franchisees to purchase at least one hydrojetters and to purchase and fully stock at least three 1-Tom-Plumber outfitted service trucks which must conform to our System Standards (the “Vehicles”). As emergency service respond often to undefined or uncertain circumstance, as a critical part of our business model, the Vehicles must be overstocked at all times with equipment, inventory, and supplies that may be necessary to have immediately available, instead of using the conventional plumbing service of using a porter or runner to supply the job site from the Central Office. Our business model also promotes routine and preventive maintenance for commercial and industrial businesses such as restaurants with intensive use of drainage systems.

We may, in our sole discretion, establish a national account program that will offer franchisees the opportunity to obtain referrals to customers obtaining Services under a master contract with the national account sponsor. If we do, we will publish the national account program information in the Operations Manual or in a separate policy and procedure statement. We expect to negotiate a standard rate and performance terms for each national account. If an incident occurs or a service opportunity arises that is covered by a national account contract in your Operating Area or in a nearby area that we believe you can provide Services in response to, we will offer to dispatch you to the job. A condition of your acceptance will be compliance with the national account contract price and terms. If you decline the dispatch response, we may offer the response to another franchisee or Company Unit for response. Once the relationship between that national account and the other service provider is established, future dispatch jobs for that national account arising in the same area will be sent to that other provider. The national account program may provide for commissions or other payments to originating, performing or impacted franchisees, in our sole discretion.

Market and Competition

The plumbing market for a Unit is highly competitive, generally mature and well developed. However, we believe that the emergency and rapid response segment of drain cleaning and plumbing is relatively unique, especially when incorporating 1-Tom-Plumber’s equipment, technology, and customer service-focused model. We believe that equipment, technology, and customer service-focused model as well as our brand commitment to professional, punctual, and prompt services will differentiate a Franchised Business in the marketplace and may provide a significant advantage over other plumbing businesses offering traditional approaches to drain cleaning and plumbing services.

You will compete with national, regional and local businesses including company owned and franchised chains as well as independently owned plumbing businesses. You may also compete with other Units owned by us, affiliates, or franchisees. Some competitors may be larger and have more locations and financial resources than us. Some competitors may have stronger name recognition than the 1-Tom-Plumber brand. Some competitors may be public companies or funded by private equity funds with substantial capital resources.

The plumbing industry is generally not seasonal. The success of any franchisee may be impacted by many factors including, but not limited to, local economic and market conditions, the franchisee’s business experience, capabilities, and performance, the quality and performance of a Unit’s management, plumbers,

and technicians, geographic location, market competition, sales level reached and ability to attract and retain customers.

Regulations

Our franchisees are subject to all federal, state, and local laws regulating Services, including state and local licensing for plumbing and qualifying to undertake a “dig” operation for repair and replacement of underground pipes and drains. You are responsible for understanding what licenses, permits, qualifications, performance bonds and experience requirements apply to the Franchised Business in the Operating Area and any other area where you provide Services, and for obtaining and maintaining in effect all such licenses, permits, bonds, and other legal authorizations and qualifications necessary to operate the Franchised Business. You may need to limit the offering of Services until appropriate authorizations are obtained. If you are unable to perform all Services we authorize in the Operating Area, we may authorize another franchisee to perform such Services in your Operating Area until you notify us that you have been authorized to do so.

Additionally, a franchisee will be required to comply with all federal, state and local laws and regulations that generally apply to private businesses. These include, but are not limited to, the Americans with Disabilities Act (the “ADA”); the Fair Labor Standards Act (the “FLSA”); the rules and regulations of the Equal Employment Opportunity Commission (the “EEOC”); the Occupation Safety and Health Administration (“OSHA”); Gramm-Leach-Bliley Act; the USAPATRIOT Act; Federal Truth in Lending and other laws dealing with credit transactions and collections; Digital Millennium Copyright Act; regulations governing MMS, SMS, emails and telemarketing; the payment of license fees; general location rules and regulations; and, any advertising or content related rules and regulations.

Your Franchised Business must accept credit cards and will be obligated to comply with the Payment Card Industry Data Security Standard (“PCI Standards”). The present PCI Standards includes 12 requirements for any business that stores, processes or transmits payment cardholder data. For more information see <https://www.pcicomplianceguide.org/>.

If you are located in, or do business with customers located in California or another state that has enacted data privacy and data security laws that apply to information obtained from your transactions with individuals and consumers, you must comply with the California Consumer Privacy Act or local legislation that governs how you collect, store and use personally identifiable information about your customers. We are not responsible for instructing, training, supervising or monitoring you on compliance with these data privacy and data security laws. You may want to engage your own counsel or advisors to assess your obligations and formulate an appropriate strategy for compliance with these laws.

We encourage you to make additional inquiries into those laws and regulations and obtain the assistance of your own legal counsel in that regard. It is your responsibility to independently determine if there are any legal requirements with which you must comply and business issues that might impact your Franchised Business and/or your possibility of generating a profit or loss. Neither we, nor our affiliates, will be responsible for ascertaining your initial and continuing legal responsibilities. It is your responsibility, on an on-going basis, to investigate and satisfy all local, state, and federal laws and regulations since these can vary from place to place and can change over time.

ITEM 2

BUSINESS EXPERIENCE

JUSTIN GHADERY, CHIEF EXECUTIVE OFFICER

Justin Ghadery has served as our Chief Executive Officer since January 2026. Prior to that he served as our President and Chief Operating Officer in December 2025, and he holds this same position for EverSmith Brands and with each of our affiliates from March 2025 to December 2025. From November 2024 to March 2025, Mr. Ghadery served as Interim Brand President with our Affiliates Prism Specialties and Kitchen Guard. Mr. Ghadery has served on the Board of Advisors for Best Life Brands since September 2022 and on the International Franchise Association's Veteran Affairs Committee since January 2023. From December 2021 through August 2022, Mr. Ghadery served as the Chief Operating Officer for Afterburn Holdings, an Orangetheory Fitness area developer in Houston, Texas.

KERI THOMA, CHIEF FINANCIAL OFFICER

Keri Thoma has served as our Chief Financial Officer since December 2025 and has held this same position in EverSmith Brands and with each of our affiliates since January 2025. Previously, Ms. Thoma served as Chief Financial Officer and Chief People Officer for Concierge Home Care in Jacksonville, Florida, from November 2020 to December 2024.

JOHN DOBELBOWER, SENIOR VICE PRESIDENT, BRAND DEVELOPMENT

John Dobelbower has served as our Senior Vice President since April 2026 and holds the same position in EverSmith Brands and with each of our affiliates since April 2026. Mr. Dobelbower served as Vice President of Pirtek USA in Rockledge, Florida from March 2024 to April 2026. Previously, from May 2020 to March 2024, Mr. Dobelbower was the Team Lead of Development at Neighborly Brands in Waco, Texas.

ANGELA HONEYCUTT, BRAND LEADER

Angela has been our Brand Leader since December 2025. She served as our Vice President from January 2021 to November 2025.

LEAH HANLON, VICE PRESIDENT OF FRANCHISE DEVELOPMENT

Leah has been our Vice President of Franchise Development since December 2025. She served as our Business Development Manager from March 2022 to November 2025. She served as a Relationship Coordinator for Icon Property Rescue LLC of Cincinnati, Ohio from October 2013 to November 2025.

MICHAEL HUBBARD, VICE PRESIDENT OF FRANCHISE OPERATIONS

Michael has been our Vice President of Franchise Development since July 2022. Prior to that, from June 2021 to July 2022, Michael was the General Manager of TFP Columbus, LLC, one of our former Company Units. Michael served as the Operations Manager for the University of Cincinnati from September 1998 to June 2021.

MICHAEL EBLIN, CHAIRMAN AND DIRECTOR

Michael Eblin has served as Chairman of our parent's Board of Directors and as a director of our affiliates since February 2025. Mr. Eblin has served as CEO of Clearlake, LLC in Glendale, Arizona since April 2014.

BRIAN SAUER, DIRECTOR

Brian Sauer has served as a director since December 2025 and in the same capacity for our affiliates TruServe Groundscare, Inc. since December 2020, MilliCare, Inc., Inc. since September 2021, MilliCare Franchising, LLC since its inception in January 2022, U.S. Lawns since January 2024, Kitchen Guard Franchising, LLC since 2023 and our parent EverSmith Brands since July 2021. Mr. Sauer is a senior

partner in The Riverside Company, in its Santa Monica, California offices and has been with the company since 2004.

ITEM 3

LITIGATION

1 Tom Plumber Global Inc. v. Blue Ridge Plumbing and Drain LLC, et al. (U.S. District Court, Southern District of Ohio, Case No. 1:25-cv-00396). On June 13, 2025, 1 Tom Plumber filed a complaint against its franchisee Blue Ridge Plumbing and Drain LLC, its two owners and individual guarantors, related entities of which the franchisee's owners are members, the franchisee's on-site manager, and the franchisee's Director of Operations, to enforce terms of the Franchise Agreement and subsequent Franchise Termination Agreement, including to temporarily, preliminarily, and permanently enjoin and restrain the defendants from violating the non-competition, confidentiality, and other provisions of the Franchise Agreement and to collect royalties and other fees under the Franchise Agreement. The Complaint alleges damages in excess of \$75,000.00, plus interest and fees. In addition to the Complaint, 1 Tom Plumber filed a Motion for Temporary Restraining Order and Preliminary Injunction and a Motion for Expedited Discovery. All but two defendants filed an answer and counterclaim, which alleges 1 Tom Plumber breached the Franchise Agreement by failing to provide manager training and product lists, to reveal its specifications, formulas, and instructions, to publish a final and complete list of approved supplies and products, and to provide a marking plan template; defamed the defendants by allegedly misrepresenting the reason(s) for the franchisee's termination; tortiously interfered with the defendants' business relations; and abused the legal process. The defendants requested damages in excess of \$75,000.00, plus interest and fees. The claims of all parties were referred to a magistrate judge for mediation.

Other than the above matter, no litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

Our Senior Vice President, Brand Development, John Dobelbower, was at the time doing business as Green Option Recycling and filed a bankruptcy petition under Chapter 7 of the U.S. Bankruptcy Code on January 6, 2020, in the Western District of Texas, No. 20-bk-600133. On April 9, 2020, the bankruptcy court entered a discharge.

Other than the above, no bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

On the date you sign the Franchise Agreement, you must pay an Initial Franchise Fee to the Company of \$49,000. We are currently offering a discount on purchasing additional Units. If you buy additional Unit(s) at the same time as your first, you'll receive a \$9,000 discount on the Initial Franchise Fee for each additional Unit. If you are approved to purchase an additional franchise after at least two years of operating experience and provided that you also meet our current expansion requirements (as outlined in Item 12), you may receive a 50% discount on the then-current Initial Franchise Fee. Please note that we reserve the right to discontinue this offer at any time, and any such change will be reflected in the then-current FDD. We reserve the right to reduce the Initial Franchise Fee for rural, secondary markets and/or for conversions of existing businesses that offer similar services.

In our most recent fiscal year, Franchisees paid Initial Franchise Fees ranging between \$25,000 and \$50,000. The lower amount applied to the purchase of a second unit, while the higher amount reflected our standard initial franchise fee.

From time to time, we may offer incentive programs to prospective franchisees for a limited time basis. Occasionally, we may establish various franchise expansion programs, which are generally, but not exclusively, available only to existing franchise owners to provide incentives to franchisees to expand their existing franchise territories or service lines. These programs, which are established and maintained at our sole discretion, and uniformly offered to similarly situated prospects or franchisees, may include reduced or rebated fees or certain credits.

Grand Opening Advertising

You must engage in a Grand Opening Advertising campaign, and spend, as we may direct, a minimum of \$1,000 monthly on local marketing, advertising, public relations, and promotions. The required Grand Opening Advertising spend will begin two months prior to opening and end no earlier than twelve months after opening (your “Grand Opening Advertising Spend”). We have the right to determine how to spend the Grand Opening Advertising budget and the methods of marketing, advertising, media, and content of the Grand Opening Advertising campaign and promotional program. While we reserve the right to collect your Grand Opening Advertising Spend in the amount of \$1,000 and expend it on your behalf, we currently only require it to be spent. You may spend additional amounts on other pre-opening advertising that is arranged or approved by us.

Veteran and First Responders Discount

We participate in the Veterans Transition Franchise Initiative (commonly referred to as “VetFran”), which seeks to provide opportunities for veterans who want to be in business. If you are a veteran of the U.S. Armed Forces who has been honorably discharged (such as DD214), you may be eligible to receive a \$10,000 discount off the Initial Franchise Fee for the first Franchise awarded to you.

We also offer a First Responder Incentive Program to recognize individuals who have served their communities in emergency response roles. Qualified first responders may be eligible to receive a \$10,000 discount off the Initial Franchise Fee for the first Franchise awarded to them. For purposes of this program, “First Responder” generally includes individuals who have served in an official capacity in public safety roles such as law enforcement, firefighting, emergency medical services, or emergency communications. Eligibility is subject to minimum service requirements and verification of qualifying service. Additional eligibility criteria, qualifying roles, and documentation requirements are described in the Operations Manual.

To qualify for either incentive, the eligible veteran or first responder must own at least 51% of the franchised business.

Referral Fee

We pay a referral fee (“Referral Fee”) to any of our current franchisees or those of any affiliated brand if they are the first to refer a new candidate to us who meets our qualifications and signs a Franchise Agreement within six (6) months of the date of referral. Currently, the Referral Fee is \$10,000 for each successful referral. This incentive payment is only paid for the first franchise purchased by the referred new franchisee, and other limitations may apply. We may change or eliminate the referral program at any time without notice. Franchisees participating in the referral program are not our sales agents and are not authorized to make any statements on our behalf, including any statements related to the financial performance or prospect for success of any franchise.

ITEM 6

OTHER FEES

<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Royalty Fee (See Note 1)	6.00% of Gross Sales; 18 months after signing the franchise agreement, the fee is the greater of 6.00% of Gross Sales or \$3,000 every four weeks.	Weekly	Payment must be made via electronic funds transfer
Population Fee (See Note 2)	\$295 to \$995 per month depending on the population in the Operating Area	15th of each month	Payment must be made via electronic funds transfer; determined based on the total population included in your Operating Area.
Brand Fund Contribution (See Note 3)	2.00% of Gross Sales	Weekly with each Royalty Fee payment	Payment must be made via electronic funds transfer. Pays for activities to market, promote, support and evolve the Brand, including call forwarding system
Technology Fee	Currently, \$1,000 to \$8,000 monthly expense payable directly to vendor	Monthly when invoiced by vendor	Payable directly to vendor; we may elect to add a Technology Fee for technology or licenses later provided by us; we will provide 30 days' prior written notice if we implement this fee and change in technology
Convention Fee	Annual Registration Fee for your attendance at our Brand Convention; currently \$750 per attendee plus travel expenses	As incurred on the date we specify	Payable in advance of our annual convention if we hold one. We may increase the fee to up to \$1,500 per attendee per year plus travel expenses.
Local Advertising Expenditure	\$1,000 per month starting 60 days prior to opening and continuing for 12 months after opening; plus 2.00% of Gross Sales	According to an annual plan approved by us	If franchisee does not spend the required amount on local advertising, the difference between the actual amount spent and the required amount will be contributed by you to the 1 Tom Plumber Brand Fund unless Franchisor has approved in writing a lesser requirement
Regional Cooperative Fee	If activated, up to 2.00% of Gross Sales	Weekly with each Royalty Fee payment	Payable if we activate and collect the fees for a regional marketing or advertising cooperative covering the market in which the Operating Area is located

<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Regional Account Management Fee (See Note 4)	Variable, although the current range of the fee is 1%-10% of the fees paid by the regional account	Will be deducted from amounts owed to you for Regional Accounts Work	We will administer and manage the Regional Accounts program. Such fees will not increase by more than 50% during any 12-month period.
Transfer Fees (See Note 5)	The then-current transfer fee. Currently, \$15,000 for the first agreement (reduced to \$5,000 if sold to an existing 1-Tom Plumbing Franchisee) plus \$2,500 for each additional franchise agreement transferred in the same transaction.	Upon transfer	Paid at closing of the transfer. The Transfer Fee will not increase by more than 5% in any calendar year.
Resale Assistance Fee (See Note 6)	\$10,000 plus any actual commission due	As incurred. Before transfer	Payable by you if we find a buyer for your franchise.
Renewal Fee	You must pay us the then-current fee, which is presently \$5,000 not to exceed 20% of the then-current Initial Franchise Fee.	At the time of renewal	If you elect to renew the franchise, sign the then-current Franchise Agreement and sign a Release. Each term is for a period of ten (10) years.
Required Supplies	The then current fee, presently \$750 plus shipping.	Quarterly	You are required to purchase from us, or the supplier that we designate, 600 plungers per quarter, which will be shipped to you each quarter.
Supplier and Equipment Testing	Our costs	When billed	In the event you wish us to approve a particular supplier, item of equipment, or supply item, you will reimburse us for our costs of testing or inspecting new suppliers or equipment.
Management Fee	15% of Gross Sales plus expenses.	Payable weekly out of Franchise proceeds.	The Management Fee is paid to us in the event we exercise our right to step in and operate your Franchised Business in certain circumstances, including your default, death, disability or prolonged absence. The reimbursable expenses include travel, lodging and meals.

<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Audits (See Note 7)	100% of understated royalty, plus interest at the maximum rate allowable by law (not to exceed 18% per year), and late fees as well as reimbursement for the cost of the audit.	Upon demand	See Note 7
Replacement Training Fee (See Note 8)	\$2,500 tuition fee per trainer plus the travel, lodging, meals and incidental expenses for a replacement Certified Trainer to attend training.	Prior to replacement training	We may change the tuition fee at any time in the Operations Manual
Additional Training or extraordinary consultation (See Note 9)	\$750 per day per trainer plus trainer's travel, lodging, meals and incidental expenses for additional on-site training requested by you or required by us.	Prior to additional training	Payable if you: (a) request our assistance, (b) an audit shows a significant operational deficiency, (c) you breach the Franchise, or (d) following the death or incapacity of the franchisee, and (e) we deem it necessary to provide additional training.
Interest/Late Fees/NSF Fees (See Note 10)	<u>Interest:</u> 18% per annum or the highest rate allowed by law (10% in California). <u>Late Fee:</u> The then current fee, presently, \$25 per occurrence, per day. <u>NSF Fee:</u> the actual fee charged by the bank or financial institution, plus an administrative fee of \$5 per payment returned by the bank for non-sufficient funds; currently, \$55	Upon demand	This applies to all overdue fees/payments and reports you owe us or for NSF. Applies to understatements in amounts revealed by audit or otherwise. If state statute limits the fee charged, state law shall prevail.
Non-compliance Fees (See Note 11)	If you are not compliant with the Franchise Agreement, in addition to any other remedies, there is a non-compliance fee of up to \$1,000 per occurrence.	When we invoice you	Payable if you violate our System Standards or other material requirements.

<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Costs and Attorney's Fees (See Note 12)	Will vary under the circumstances	As incurred	See Note 12.
Indemnification, Insurance and Enforcement Costs (See Note 13)	As incurred	When we invoice you	Payable to us for costs and expenses incurred by us to defend and resolve third party claims arising from your operation of the Unit, including customer satisfaction and warranty claim resolution costs; includes our costs of defense and resolution; our costs for enforcing the Franchise Agreement against you, including attorneys' fees, court costs, collection costs, expert fees and costs, discovery costs, and other costs we incur to obtain required insurance on your behalf (plus a 5% administrative fee) or complete your post-termination obligations
Relocation Fee	All reasonable costs incurred by us associated with a franchisee relocating their Central Office location	As incurred	Payable if you request our approval to relocate your Central Office and we incur costs associated with the relocation request.
Liquidated Damages (See Note 14)	Present Value of combined Royalty Fee, Population Fee and Brand Fund Contribution for the unexpired term, based on your average monthly Royalty Fee and Brand Fund Contribution payable during the one year period preceding termination; discount rate is the Applicable Federal Rate published by the IRS for the period ending closest to the end of the term, plus 200 basis points; using monthly compounding	At termination of the Franchise Agreement	Payable if the Franchise Agreement terminates prior to expiration unless we breach and fail to cure or certain other events occur

<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Collection Costs and Expenses	As incurred	When we invoice you	Reimbursement to us of collections costs and expenses including, costs and commissions paid to a collection agency, reasonable attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Sales for services and products of the franchised business, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing
Joint Employment or Change of Relationship Fee	As incurred	When we invoice you	All initial and continuing costs incurred by us should we determine that any legislation, regulation, arbitration or a decision of a court of competent jurisdiction holds that either (i) we are your employer, or (ii) we are a joint employer with you of your employees or results in a similar change in our relationship with you.
Post-Termination and Post-Expiration Expenses	As incurred	When we invoice you	All costs we incur to effect your compliance with your post-termination obligations when you cease to be a franchisee and must engage in de-identification of the Franchised Business

All fees are imposed by and are paid to us. All fees are fully earned upon payment and non-refundable. The frequency of collection of these fees is subject to change (monthly fees may become weekly, and vice versa). Except as noted below, all fees are uniformly imposed and collected. There are currently no franchisee cooperatives in existence, so there are no fees imposed by cooperatives and no voting power requirements for Company Units.

Notes

1. *Royalty Fee.* You must pay us weekly a non-refundable royalty fee of 6.00% of the Gross Sales of your Franchised Business during the preceding week. After the date which is 18 months following the date of your Franchise Agreement, over each four-week period, you must pay us the greater of (a) 6.00% of the Gross Sales of your Franchised Business during such period and (b) \$3,000. Weekly Gross Sales are reported to us each Tuesday and weekly payments are made by electronic funds transfer on Wednesday for Gross Sales reported for the previous week, ending on the close of business Saturday. Gross Sales means the aggregate of all revenue from operating your Franchised Business, whether payment is received in cash or by credit card, gift cards or other generally accepted form of payment, from the sale of products, services, merchandise (apparel and promotional items bearing any Marks) or other merchandise. Without limiting the scope of the term, Gross Sales shall include the aggregate amount of revenue generated from the sale of Services, goods, products, and merchandise received by you. Gross Sales are reduced by the amount of any discount given to customers, or to employees or their family members if taken at the time of sale so that the purchaser pays an amount net of the discount. Gross Sales also excludes the following: (i) the amount of returns, credits, allowances, and adjustments; (ii) the amount of taxes collected and paid over to taxing authorities; (iii) the amount of any shipping, freight, or similar expense charged to customers; (iv) proceeds from insurance with respect to property damage or liability; (v) proceeds from any civil forfeiture, condemnation, or seizure by governmental entities; and (vi) uncollectible amounts and subsequent collections of charged off amounts must be included in Gross Sales when they are collected. If you are in default under your Franchise Agreement, we can increase your royalty rate by one percent (1%) of Gross Revenue.

2. *Population Fee.* The Population Fee is in addition to the Royalty Fee and will be paid monthly by electronic funds transfer beginning in the seventh month after opening. The Population Fee for your Operating Area will be set when your Operating Area is finalized and will be adjusted if the Operating Area changes. Our current Population Fees are listed below.

Population of Operating Area	Monthly Population Fee
1 to 200,000	\$295
200,001 to 500,000	\$495
500,001 to 800,000	\$795
800,000+	\$995

3. *Brand Fund Contribution & Loyalty Program.* We have established a Brand Fund into which all franchisees, including Company Units will contribute a weekly non-refundable Brand Fund Contribution of 2.00% of the Gross Sales of your Franchised Business during the preceding week. You pay your Brand Fund Contribution by ACH Payment when you pay your Royalty Fee each week.

4. *Regional Accounts.* The amount of the management fee varies from customer to customer based upon a number of factors including: (i) the direct cost of administrative and management oversight provided; (ii) the associated overhead cost such as payment terms (financing) and risk management (insurance); and (iii) the profit margin.

5. *Transfer Fee.* The Transfer Fee is \$15,000 if transfer is to outside 3rd party. The Transfer fee is \$5,000 if the transfer is to a person or entity that already owns or controls a majority interest in an existing franchise. If multiple Franchise Agreements are transferred as part of the same transaction, the Transfer Fee for each additional Agreement after the first is \$2,500.00 The Transfer Fee is due on or before the effective date of the transfer. Transfers include sales, gifts, donations, and exchanges for value or without value. See Item 17.

6. *Resale Assistance Fee.* If we find a buyer for your business, the fee will be \$10,000 plus any commission due to any brokers or other third parties. Alternatively, if you find a buyer on your own, no resale assistance fee will be charged.

7. *Audit Fee.* You are responsible for all costs of any audit if (i) the audit reveals an understatement of two percent (2%) or more of Gross Sales for any period, or (ii) the audit is made necessary by your failure to provide timely reports, records, or other requested information. These costs may include, without limitation, legal and accounting fees, travel, lodging, meals, and applicable per diem charges. Interest and late fees will apply to any amounts found to be due as a result of the audit. Repeated audit variances or intentional underreporting of Gross Sales may result in termination of the franchise. For a description of audit rights, procedures, and recordkeeping requirements, see Item 11, Computer System and Audit and Recordkeeping. The foregoing remedies are in addition to any other remedies available under applicable law. In the event any audit reveals that your information has been inaccurately reported, we reserve the right to audit other entities owned, controlled by, or affiliated with you.

8. *Replacement Training Fee.* You must always have a Certified Trainer (defined below) on staff for each position held by your employees, including a Certified Trainer for managers, salespeople, plumbers, and dispatchers. If you lose a Certified Trainer, you must replace them within 30 days and require that they successfully complete the next available training program offered by us. The tuition cost for a replacement to attend the Initial Training Program is \$2,500 per trainee and you must cover all compensation, benefits, travel and living expenses for the trainee. This fee is due in advance of the start of training.

9. *Additional Training Fees.* The Additional Training Fee covers training and operational support provided at your request or as required by us beyond the training and opening assistance that we provide as part of your initial franchise fee as described in Item 11. We currently charge \$750 per day, per trainer, plus the trainers' travel expenses for additional training. We reserve the right to change this fee at any time or to charge a reasonable amount for any additional optional training we make available after you open the Franchised Business. These fees are due in advance of the start of training.

10. *Interest; Late Fees; NSF Fees.* This applies to all overdue fees, payments, and reports you owe us, including any amounts revealed by an audit. For a description of audit rights, procedures, and recordkeeping requirements, see Item 11, Computer System and Audit and Recordkeeping

11. *Non-Compliance Fees.* Should you be in default of the Franchise Agreement, in lieu of termination, and in addition to any other remedies under the Franchise Agreement, we may elect to assess a non-compliance fee of \$1,000 per occurrence.

12. *Costs and Attorney's Fees.* If we prevail in any action or other legal/administrative proceeding brought against you arising out of the Franchise Agreement or any other agreement with us, you must reimburse us for our reasonable attorneys' fees and other costs paid that we incurred in such proceedings in the event we prevail. If you bring any legal action to interpret or enforce the terms of the Franchise Agreement or any other agreement with us, and your claim in such action is denied or the action is dismissed, then we are entitled to recover our reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending the matter, and to have such an amount awarded as part of the judgment in the proceeding.

13. *Indemnification, Insurance and Enforcement Costs.* You must defend, indemnify and hold us and our affiliates harmless from and against any claims asserted against us or our affiliates resulting from the operation of your Franchised Business. You must also indemnify us against costs we incur to enforce the Franchise Agreement against you, such as attorneys' fees, court costs, expenses for experts and advisors, and other expenses we incur to cause your compliance with the agreements or compensate us for costs we incur directly and indirectly as a result of your breach. You also indemnify us for the costs we incur to resolve disputes with customers. These costs may include the costs we incur to perform your post-termination obligations to package and return inventory, remove our signage and trade dress from the Unit and your Vehicles, and cause your Unit advertising and marketing activity to end. If we purchase required insurance for you when you fail to provide proof of insurance, we may charge you the cost of the premium we paid on your behalf plus an administrative fee of 5% of the premium amount.

14. *Liquidated Damages.* If the Franchise Agreement terminates prior to its expiration date for any reason other than our default and failure to cure, you must pay liquidated damages in an amount equal to the present value of the combined Royalty Fees, Population Fees and Brand Fund Contribution for the number of months remaining in your current term, based on the average monthly Royalty Fees, Population Fees and Brand Fund Contribution payable during the 12 month period preceding termination. The discount rate to compute the present value will be the Applicable Federal Rate published by the Internal Revenue Service for debts with a maturity equal to the balance of the current term, plus 200 basis points. The IRS publishes the Applicable Federal Rate monthly.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – SINGLE UNIT					
Nature of Expenditure	Low Estimate	High Estimate	Payment Method	When Due	Payment To
Initial Franchise Fee	\$49,000	\$49,000	Lump sum	At signing of FA	Franchisor
Real Estate	\$0	\$0	As incurred	Before opening	Suppliers
Construction and Leasehold Improvements	\$500	\$15,000	As incurred	Before opening	Suppliers
Less Landlord Contributions	\$0	\$500	As incurred	Before opening	Suppliers
Furniture and Fixtures	\$0	\$13,000	As incurred	Before opening	Suppliers
Equipment Package	\$35,148	\$75,288	As incurred	Before opening	Suppliers
Other Professional Fees	\$2,250	\$2,250	As incurred	Before opening	Suppliers
Opening Inventory	\$1,000	\$1,000	As incurred	Before opening	Suppliers
Opening Supplies	\$11,000	\$55,000	As incurred	Before opening	Suppliers
Computers, software, Telecommunication, networking	\$2,217	\$10,218	As incurred	Before opening	Suppliers
Interior and Exterior Signs	\$4,500	\$4,500	As incurred	Before opening	Suppliers
Training and Pre-Opening Expenses	\$2,500	\$5,500	As incurred	Before opening	Suppliers
Pre-Opening Labor & Travel	\$4,450	\$20,000	As incurred	Before opening	Suppliers
Market Introduction and Local Marketing	\$10,000	\$20,000	As incurred	Before opening	Suppliers
Insurance	\$4,000	\$9,000	As incurred	Before opening	Suppliers
Utility Deposits	\$0	\$250	As incurred	Before opening	Suppliers
Deposits and permits	\$1,000	\$1,000	As incurred	Before opening	Suppliers
Security System	\$742	\$742	As incurred	Before opening	Suppliers
Lease Deposit	\$0	\$2,000	As incurred	Before opening	Suppliers

YOUR ESTIMATED INITIAL INVESTMENT – SINGLE UNIT					
Nature of Expenditure	Low Estimate	High Estimate	Payment Method	When Due	Payment To
Miscellaneous Expenses	\$10,000	\$20,000	As incurred	Before opening	Suppliers
Additional Funds – 3 months	\$100,000	\$150,000	As incurred	After opening	Various
Total	\$238,307	\$454,248			

Notes to Item 7

General

1. We have based our estimates on the experience of our affiliates. Your investment, as shown in Item 7, is for one 1-Tom-Plumber Unit, including one Central Office. Your actual cost of opening your 1-Tom-Plumber Unit will vary from our estimates based on many factors. These include but are not limited to your management capabilities, skills and experience: construction costs, prevailing labor costs, materials and other economic and local conditions in your market; the size of your location; the prevailing rents in your area; local zoning and permitting costs; utility and other costs and depositions; how well you follow the 1-Tom-Plumber system standards; and, other factors outside of our control and influence. We do not guarantee that your costs will be the same as those included in Item 7 and you may have additional costs we have not identified. Regardless of any deviation or variance, you are responsible for the costs of developing your Franchised Business.

2. A Central Office will operate out of 500 to 1,000 square foot ground floor offices located in Class B or C real estate with access to a 750 to 2,500 square foot warehouse with garage size entry for storing Vehicles, equipment, tools and inventory. Some markets may experience higher or lower lease rates. Rental charges and terms will vary. You should consult a local real estate expert. Provided your proposed location for the Business satisfies our site selection criteria, we will not unreasonably withhold our acceptance of the site. If you have two 1 Tom Plumber Franchises with contiguous territories, you may not be required to have a separate Central Office for each franchise.

3. Please take your time in reviewing this offering and work with knowledgeable advisors including lawyers, accountants, location advisors, local contractors, engineers, architects, etc. before making any decision to invest in our franchise opportunity.

4. Payments to us are not refundable. Payments made to third party vendors are subject to the terms and conditions of those vendors.

5. We do not finance any part of your initial investment in the Franchised Business.

Initial Fee

6. As disclosed in Item 5, the initial franchise fee paid by you and other similarly situated franchisees will be the same. Our Initial Franchise Fee for a single Unit is \$49,000. We may require that you purchase multiple Units to cover an Operating Area that we do not believe can be covered from a single Central Office.

Leasehold Improvement and Site Development

7. We will not provide you with assistance in identifying the site that you will select for your Central Office.

8. We anticipate that you will lease existing, finished commercial or industrial space rather than acquire and build your Central Office location. We have not included any costs for land acquisition, building construction or related costs in our estimates.

9. Your net leasehold improvement costs will depend on the condition of your Central Office location at the time you take possession and any tenant improvement allowance you may receive from your landlord. Our estimated range of costs for leasehold improvements is based upon our assumption that your leased premises will be finished and delivered for use “as is” with only modest improvements needed. Improvement costs will be higher if you lease unfinished space or space that is finished with unsuitable designs and features.

10. You may incur architect and engineering fees in the development of your Central Office location.

Equipment, Furniture, Fixtures and Signage

11. You may be required to purchase certain equipment and branded materials from suppliers we have approved, which may include us or our affiliates. We will provide specifications for the models of equipment you will be required to purchase for your Franchised Business. Our affiliates or we may be the sole supplier for certain equipment.

12. The Basic or minimum equipment package includes a 3-month estimate of loan/lease payments for two vehicles, including the tools and equipment needed for start-up of those two vehicles - one van with a hydrojetter, and one plumbing van. The Advanced or maximum equipment package includes a 3-month estimate of loan/lease payments for five vehicles, including the tools and equipment needed for start-up of those five vehicles - one van with a hydrojetter, and four plumbing vans. The estimated full purchase price of 1 plumbing van with shelving and a wrap is \$71,604. The estimated full purchase price of 1 plumbing van with hydrojetter, shelving and a wrap is \$93,000. All Vehicles must conform to our System Standards. The amount of equipment and number of Vehicles a franchisee must purchase will depend upon the franchisee’s capabilities and Operating Area size.

13. We may negotiate with vendors regarding the price, warranties, guarantees, delivery costs, maintenance contracts, etc. We do not represent or warrant to you that we will be able to obtain for you the lowest costs or best terms available.

14. You will be required to purchase signs for your Central Office location per our direction and install them where instructed by us. All signage must follow our System Standards and your local building and other codes.

15. You may purchase or lease at least one new or used truck from a third party and convert it for use as your Vehicle in compliance with the System Standards. We may require that you purchase a certain number of trucks depending on the equipment package you select, and the size, geography, traffic patterns and natural barriers of your Operating Area.

Computers and Telecommunications

16. You will be required to purchase or lease the operating software and computer system we specify. The type and number of computers and other hardware, software, cameras and telecommunications equipment may vary depending on your location. We will specify the computer hardware, software and telecommunications equipment in the Operations Manual.

17. Presently, we utilize the ServiceTitan, Inc. software application for job tracking and billing.

Training

18. We will provide initial training to your initial owners, and up to five managers, salespeople, plumbers, and dispatchers without any additional fee. Your Operating Principal and general manager must attend training and complete training to our satisfaction before your opening date. In addition, your initial salespeople, dispatchers, and plumbers must attend training within 45 days of hire.

19. Initial training will be a combination of classroom, on the job training and may also include training provided electronically and remotely. Training will be provided in a location designated by us and will be approximately two weeks in duration.

20. You will be obligated to pay the costs of compensation and benefits for your training attendees as well as the cost for their travel, lodging, meals and incidental expenses during training. We have estimated these costs during training. The costs of travel vary greatly based on the time of year and the choices you make for travel arrangements.

Additional Expenses – 3 Months

21. We have estimated your cash requirements for the first three months of operation of the Franchised Business. You will incur additional expenses and will require enough working capital to cover your business' operation and other expenses and disbursements, including debt service, until your business achieves break even on an operating basis. Our estimated additional expenses for the first three months are net of any commercial revenue you receive during that period.

Other Expenses and Prepayments

22. We will specify the minimum insurance coverage we require you to have for your Franchised Business in this disclosure document and as modified in the 1 Tom Plumber Operations Manual.

23. You will be required for the development of your business to acquire the necessary permits, bonds, utilities, merchant accounts and licenses and to make any deposits required to operate your location. We assume that you already hold current licenses for plumbing and underground work in the Operating Area.

24. Your Market Introduction Plan will be developed by you with our assistance, and we estimate this to cost \$10,000-\$20,000. You will execute the pre-opening marketing strategy.

25. You may need to make deposits or pre-payments for rent, utilities, etc. Depending on the costs in your market and the rents in various areas of your market, you can expect significant differences in costs for rent. Our estimate is based on two months' rent as a lease deposit and deposits for commercial lease parking.

26. There may be additional miscellaneous expenses incurred in developing your Central Office location and equipping your Franchised Business with proper tools, supplies, repair parts, pipes, replacement fixtures and other goods necessary to begin operation.

We have relied on our experience in developing and operating the Company Unit to compile these estimates. These figures are estimates and we cannot guarantee that you will not have additional expenses in starting the Franchised Business. Your costs will depend on factors such as local labor rates, how closely you follow our methods and procedures, your management skill and business acumen, local economic conditions including tariffs, inflation, supply chain disruptions and changes in vendor pricing, competition, and the sales level reached during the initial period.

27. We recommend that you review the estimated initial investment for the development of your Franchised Business, including working capital, with your legal and business advisors before you make a decision to invest in our franchise opportunity. We recommend that you obtain their assistance to develop and refine a business plan and evaluation in which you consider the costs of operation in your desired Operating Area, the availability and costs of leases and business loans, including terms for payment and

interest, inflation, other costs we may not have identified. Your initial investment may be materially higher than our estimate.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and Approved and Designated Suppliers

We have developed standards and specifications for various services, products, materials and supplies sold by or used in connection with your Franchised Business. You must operate the Franchised Business according to these standards. These standards will regulate the types, models, and brands of required equipment, furnishings, fixtures, supplies, products, packaging, computer hardware and software, signage, and Vehicles which you may, or must, use, offer, sell or promote in operating the Franchised Business (the “Materials”). The designated or approved suppliers of these Materials may be limited to or include us in our sole discretion.

As of the Issuance Date, we require that you purchase our “calling card” pink plungers from our designated supplier. You must also purchase the hydrojetters and all related accessory packages for use in your Franchised Business from one of our approved suppliers. All other Materials may be purchased from other suppliers so long as such Materials meet our quality and other specifications. You must obtain our prior written consent before using any other vendor or supplier for these items. We reserve the right to reject any vendor or supplier you propose, in our sole discretion. All purchases and leases must meet our standards and specifications except as we specify in the Operations Manual, or otherwise in writing. All changes in the specifications for Materials shall be communicated to you by supplements to the Operations Manual or otherwise in writing. You shall not place a new order for any Materials with a supplier after receiving written notice of changes in the Materials’ specifications or that our approval of the supplier has been withdrawn or revoked.

System Standards as of the Issuance Date allow you to purchase your Vehicles and other equipment from local sources if available according to our specifications. While the Vehicles purchased may be refurbished vehicles (chassis, engine, body shell), we require that all equipment in the Vehicle conform to the precise System Standards in effect when you purchase the Vehicles. We recommend that your Vehicles and all equipment be new. We may establish a vehicle and equipment leasing program, but none exists as of the Issuance Date.

Insurance

You must procure and maintain during the term of the Franchise Agreement insurance policies protecting you, your employees, and us, our officers, employees, and other persons that we designate by name, against all loss, liability, fire, personal injury, death, property damages, or theft arising from, or occurring in connection with, the operation and promotion of the Business. The insurance coverages noted below reflect the minimum amounts of coverage we require; it is not meant to reflect the actual needs you may have or other state-mandated coverage, and it is your sole responsibility to carefully evaluate whether such minimums will adequately meet your needs and state requirements (i.e., flood insurance, employment practices liability, pollution or major medical, etc.). We may require you to purchase insurance from a specific provider(s).

You must maintain these insurance levels throughout the term of your Franchise Agreement. You must provide us with proof of coverage on demand. You must obtain these insurance policies from insurance carriers that are rated “A” or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Franchised Business. All insurance policies must (i) name us (and our members, officers, directors, and employees) as additional insureds and (ii) contain a waiver by the

insurance carrier of all subrogation rights against us. Furthermore, you shall be required to provide ten days prior written notice of the termination, expiration, cancellation, or modification of any insurance policy.

You must annually submit insurance certifications that demonstrate compliance with our insurance requirements. If you fail to comply with the minimum insurance requirements, we have the right to obtain such insurance and keep it in force and effect, and you shall pay us, on demand, the premium cost and administrative costs of 3% in connection with our obtaining the insurance. We have the right to increase or otherwise modify the minimum insurance requirements upon written notice to you, and you shall comply with any such modification within the time specified in the notice.

The current insurance requirements are as follows:

- Commercial General Liability, Contractor's Pollution Liability Insurance, and Professional Liability Insurance. Coverage for "bodily injury," "property damage," and "personal and advertising injury" with no exclusion or limitation applying to the products / completed operations liability coverage. Limits must be at least \$2,000,000 general aggregate, \$2,000,000 products and completed operations aggregate, \$1,000,000 personal and advertising injury limit, and \$1,000,000 per occurrence.

Limits must specifically confirm coverage for pollution, including mold and lead, with minimum limits of \$1,000,000 each incident, with \$1,000,000 aggregate. The limited liability pollution endorsement does not meet the pollution insurance requirement. Contractual liability coverage including the assumed personal and advertising injury endorsement must be included to cover the indemnity provisions of this Franchise Agreement. The exclusion for employer's liability shall not apply to claims for covered contractually assumed liability claims.

Such policy shall contain a waiver of subrogation endorsement as to claims against us.

We and our parents and affiliates shall be named as an additional insured on this policy on a primary and noncontributory basis and with both a CG-2037 Products/Completed Operations Form and a Grantor of Franchise Form CG2029 or an insurer's comparable form.

- Automobile Liability Insurance. You are required to maintain insurance with a combined single limit ("CSL") of \$1,000,000 for bodily injury and property damage for all owned or leased vehicles and include hired and non-owned vehicles. You must name us and our Affiliates as additional insured, and such policy shall contain a waiver of subrogation endorsement as to claims against us.
- Workers' Compensation and Employers' Liability. Statutorily required workers' compensation insurance and employer's liability insurance are required to be maintained with limits of at least \$1,000,000 by accident, \$1,000,000 by disease, and \$1,000,000 policy limit. Such policy shall contain a waiver of subrogation endorsement as to claims against us.

In "Monopolistic States," including Ohio, North Dakota, Washington, Wyoming, and West Virginia, "Stop Gap" coverage must be purchased separately or added to the commercial general liability policy and/or worker's compensation and employers' liability policy. "Stop Gap" in Ohio must not contain exclusion with the "substantially certain to occur" language.

- Umbrella or Excess Liability Insurance. You are required to maintain a commercial umbrella liability insurance policy with minimum limits of \$2,000,000 per occurrence and aggregate and shall list the commercial general liability, pollution liability, and automobile liability as scheduled underlying policies.
- Employee Dishonesty Insurance. You are required to maintain employee dishonesty insurance with minimum limits of \$100,000 per loss and such coverage is to also cover acts of stealing against third parties.

- Property Coverage: You are required to maintain insurance on your business personal property at amounts equivalent to replacement value. You must carry business income and expense coverage for six months.
- Professional Liability Insurance/Errors and Omissions: You are required to have a Contractor's Professional Liability Coverage (sometimes referred to as errors and omissions), with minimum limits of \$1 million per occurrence and \$2 million aggregate.
- Employment Practices Liability Insurance (EPLI): We strongly recommend but do not require that you carry EPLI with minimum limits of \$1,000,000.

You are required to comply with any state, county, local, or other municipal insurance requirements.

No deductible or self-insured retention can exceed \$5,000 for any required insurance policy, except that you may have retention of up to \$10,000 on the Umbrella Liability Insurance policy.

You may not reduce the policy limits, restrict coverage, cancel, or otherwise alter or amend any insurance policy without our written consent.

Commercial General Liability, Contractor's Pollution Liability Insurance, Automobile Liability Insurance, and Umbrella or Excess Liability Insurance policies will name us any other entities that we designate (the "Indemnified Parties"), as an additional insured **at the carrier level**, and will contain no provision which in any way limits or reduces coverage for you in the event of a claim by any one or more of the Indemnified Parties, will extend to and provide indemnity for all obligations assumed by you and all items for which you are required to indemnify us, will be primary to and without right of contribution from any other insurance purchased by the Indemnified Parties, and will provide, by endorsement, that we receive at least ten days prior notice of any intent to cancel or materially alter any policy. Whenever a change is made to your policy, and before the expiration of any insurance coverage, you must submit to us a copy or certificate or other acceptable proof of such insurance with a copy of the Additional Insured Endorsement on your policy. On occasion, we may request complete copies of all insurance policies to ensure compliance with the insurance provisions of this contract.

Periodically we may modify the minimum insurance limits and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, higher court awards and other relevant circumstances. You will receive at least 90 days advance written notice of any change.

If you fail to procure or maintain any required insurance, we may (but are not obligated to) obtain such insurance on your behalf. You must reimburse us, upon demand, for the full cost of the premiums paid plus an administrative fee equal to 5% of such cost.

Approval of Alternative Suppliers; Product Specifications

If you want to use Materials that we require you to purchase from an approved or designated supplier from a supplier we have not yet approved, you first must submit sufficient information, specifications and/or samples for our determination whether the Materials comply with our System Standards or the supplier meets our approved supplier criteria. We may establish and revise our approved supplier criteria from time to time as we deem appropriate and will make them available to our franchisees upon written request. We may condition our approval of a supplier on the supplier's agreement to comply with product quality standards, frequency of delivery, standards of service, and concentration of purchase requirements. We also may impose limits on the number of approved suppliers, products and services. Our approval should not take more than 60 days in most instances. We reserve the right to test supplies and inspect the premises of suppliers before granting our approval. We will invoice you for the supplier approval fee then in effect, plus out-of-pocket costs and expenses we incur for any inspection or testing. We will not issue our approval of the supplier until you pay that invoice. We may terminate our approval of a supplier or any Materials at any time, with or without cause, upon reasonable written notice.

We will formulate and modify our specifications and standards by reviewing each Material on an individual basis, taking into consideration the supplier's ability to provide consistently high-quality products to you or our approved suppliers on a timely basis. We generally will formulate specifications and standards based on the quality of the Materials and other relevant factors. We periodically may review each Material and respective supplier to make sure that the supplier is following the specifications and standards.

We may issue some of our specifications and standards to our approved suppliers under appropriate confidentiality restrictions, but not to our franchisees. We may undertake other steps to protect our trade secrets and proprietary information.

Percentage of Total Purchases Represented by Required Purchases

Required purchases consist of items you must purchase from approved suppliers or under our established specifications. Your required purchases represent approximately 95% of your total opening expenses (including your lease and insurance costs) and approximately 85% to 90% of your overall purchases in operating the Franchised Business.

Payments to Franchisor from Designated Suppliers

We currently receive no revenue from your purchase of required or branded Materials from our designated suppliers, although we reserve the right to do so in the future. As of our fiscal year, which ended on December 31, 2025, we derived no revenue from required franchisee purchases or leases. In 2026, we expect to derive 0% of our revenues from required purchases or leases, although, as further noted below, we may derive revenue from required purchases or leases in the future. No officer of the Franchisor owns an interest in any other approved supplier.

Cooperatives

We will have the right to require you to participate in a national or regional approved purchasing cooperative for the area in which your Franchised Business operates. We do not have any purchasing or distribution cooperatives in place as of the Issuance Date.

Negotiated Purchases

We may negotiate purchase arrangements or discounts for your Franchised Business. Certain suppliers may allow you to participate in the volume discounts we receive. However, these volume discounts will extend only to pricing terms and will not include any of the credit terms we have negotiated. We do not otherwise negotiate purchase agreements on behalf of our franchisees or any distribution cooperative, and do not guarantee pricing, credit or other terms for vendors by our franchisees. A particular supplier arrangement may not be available to you as the availability of these arrangements may vary depending on whether the supplier services the area in which your Franchised Business will be located.

Material Benefits

We do not provide any material benefits to you if you obtain goods or services from approved suppliers. We reserve the right not to grant franchises or confer other benefits to any franchisee, for any reason or no reason, which may include the failure of a Franchised Business to follow and support the Franchised Business system, including its recommended advertising programs and approved supplier programs.

ITEM 9

FRANCHISEE'S OBLIGATIONS

Franchise Agreement

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

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
a. Site selection and acquisition/lease	6(b)	11
b. Pre-opening purchases/leases	6(c), 6(h), 6(k), and 8(c)	8
c. Site development and other pre-opening requirements	6	6, 7 and 11
d. Initial and ongoing training	7(a), 8(a)	11
e. Opening	6(i)	11
f. Fees	5, 6(h), 8(a), 9(e), 15, and 19, 22(b), and 27	5 and 6
g. Compliance with standards and policies/operating manual	8	11
h. Trademarks and proprietary information	13	13 and 14
i. Restrictions on products/services offered	8(c)	16
j. Warranty and customer service requirements	None	None
k. Territorial development and sales quotas	None	None
l. Ongoing product/service purchases	8(c)	8
m. Maintenance, appearance, and remodeling requirements	8(e) and 8(g)	11
n. Insurance	21	6 and 8
o. Advertising	5, 16, and 19	6 and 11
p. Indemnification	35	6
q. Owner's participation/management/staffing	8(a) and 8(h)	11 and 15
r. Records and reports	14	6
s. Inspections and audits	15	6
t. Transfers	22	6 and 17
u. Renewals	4	17
v. Post-termination obligations	11, 12, and 33	17
w. Non-competition covenants	11	17
x. Dispute resolution	35, 46, 47, and 48	17
y. Other - Guaranty	24 and <u>Attachment C</u>	1, 15

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, we are not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your Franchised Business:

1. We do not own or lease, and do not lease to you, the Central Office premises. We will provide you with advice and consultation in the selection of sites for the Central Office. You must locate the Central Office premises and enter into a lease of the premises. (Franchise Agreement Section 6(c))
2. We will review the information you submit for your Operating Area and each proposed site for the Central Office, conduct any investigation of the proposed Operating Area and Central Office site we deem appropriate to evaluate the site, and accept or reject the site. (Franchise Agreement Section 6(c))
3. We will accept or reject each proposed Central Office site within 10 days after your submission of all initial and supplemental information we request regarding the proposed site. If we accept the site, we will give you notice of any remaining conditions to that acceptance. If we reject the site, we will give you the reasons for the rejection. (Franchise Agreement Section 6(c))
4. We reserve the right to approve the terms of your lease or purchase agreement for the approved Central Office site and any modifications or amendments, if applicable, before you sign the lease or purchase agreement. We reserve the right to review the lease or purchase agreement and any modifications or amendments to the lease or purchase agreement and to accept or reject your lease or purchase agreement for the Location within 10 days after your submission of all initial and supplemental information we request regarding the proposed lease or purchase agreement. Each Central Office location must be under lease to you and not to an affiliate if you do not own it. We do not review, provide advice on or approve any financing you obtain for your development costs. (Franchise Agreement Section 6(d))
5. We will have the right to terminate the Franchise Agreement if you fail to (1) gain our acceptance of your proposed Central Office site, and/or (2) open your Franchised Business with our authorization under Section 6(i) of the Franchise Agreement on or before the date specified for opening in Attachment A to the Franchise Agreement. (Franchise Agreement Section 6(c))
6. We will designate the Operating Area for your Franchised Business. (Franchise Agreement Sections 2 and 3)
7. We will provide you with other resources and assistance that we may develop and make available to new franchisees from time to time. (Franchise Agreement Section 7(k))
8. We may provide you with our plans, specifications and layouts for the exterior design, wrapping, interior build-out, mechanical and electrical systems, equipment, décor and signs for a prototype Unit and Vehicle that we make available to franchisees, if any. (Franchise Agreement Section 6(e))
9. We will review your site plan and final plans and specifications for conformity to System Standards. (Franchise Agreement Section 6(e))
10. We will provide you with our standard plans, specifications, and layouts for the exterior design and wrapping, interior design, mechanical and electrical systems, equipment, décor and signs for a prototype Vehicle that we make available to franchisees. (Franchise Agreement Section 6(b))
11. We will loan you one copy of the Operations Manual or may grant access rights on our secure website for franchisees. (Franchise Agreement Sections 7(b) and 13(i))

12. We will provide you with initial training at our corporate headquarters and/or at your Unit to assist you with the new Unit opening activities for your Franchised Business. (Franchise Agreement Section 7(a))

13. We will provide you with on-site training for a period of time to assist you with the pre-opening activities for your Franchised Business. (Franchise Agreement Sections 7(a), 7(e), and 8(a)).

Site Selection

Your Central Office will not have a customer showroom and will operate from a light industrial warehouse location. We will not select the Central Office location for your Franchised Business. You will have responsibility for selecting the site for your location and submitting any required information. We have the right to accept or reject the site you select. In determining whether to accept or reject a site, we will consider demographic evaluations, traffic patterns, population density, proximity to activity centers and employers, physical site profiles, competition in the market area, and other factors we deem relevant at the time you request consideration of a site. The site we accept may not be successful for your Franchised Business. We have no obligation to provide any assistance in locating a site, negotiating the lease, conforming the premises to local codes and ordinances, obtaining permits, constructing, remodeling or decorating, hiring and training employees (except for the training we provide described in training below), or providing for necessary equipment, signs, fixtures, opening inventory and supplies. However, we currently assist our franchisees with decorating their Central Offices and purchasing and installing the necessary signage to conform to the System Standards. You must propose a location and obtain our acceptance of your proposed location. If you do not gain our acceptance of your proposed location and open by the date designated in your Franchise Agreement, we may terminate your Franchise Agreement without giving you any time to cure. Currently, most of our franchisees use existing space that they own or lease as their Central Office.

Typical Length of Time to Open

Based on our experience, we estimate that it will take between 90 and 120 days from the effective date of the Franchise Agreement to open your Franchised Business. Except as extended by us, your Franchised Business must be open and operating at the earlier of: 120 days from the effective date of the Franchise Agreement or 30 days from your completion of Initial Training. Factors that may affect that time period include obtaining site acceptance from us, making any necessary financial arrangements, obtaining required permits, designing the space, installing the required signage, ordering the equipment and inventory, and obtaining necessary labor and materials. Also, the length of time to open is usually shorter if you obtain our approval to operate your Franchised Business out of existing space you own or lease (Franchise Agreement Sections 6 and 29)

Post-Opening Assistance

1. We will provide a list of approved suppliers and their respective approved products and services in the Operations Manual and/or in other written or electronic communications to you. This list may include equipment, fixtures, signs, opening inventory, operating supplies, tools and Vehicles. We may provide some of these items to you directly. We provide written specifications for installing equipment, fixtures and signage. As new suppliers, products and services become available, we will amend that list. (Franchise Agreement Section 7(c))

2. We will provide you with the product, marketing, and advertising research data and advice that we develop from time to time and deem helpful in the operation of a Franchised Business using the System. We may in our sole discretion, require you to purchase certain marketing and promotional material from a designated supplier. (Franchise Agreement Section 7(c))

3. We will provide you staffing standards for the required dress and appearance of your employees, which you and your employees must follow. We will provide suggestions for staffing models

and job descriptions that you are free to follow or not in your discretion. (Franchise Agreement Section 7(d))

4. We will conduct periodic field evaluations and quality assurance inspections of Franchised Business to test and promote its compliance with System Standards and quality controls. These evaluations and inspections may offer additional suggestions and recommendations about your staffing, but you have no obligation to follow these additional suggestions or recommendations. (Franchise Agreement Section 7(h))

5. We will provide you with periodic individual or group advice, consultation and assistance by personal visit, by telephone, electronic communication, or by newsletters or bulletins that we make available to our franchisees from time to time. (Franchise Agreement Section 7(i))

6. We will provide you with any other materials in any medium that we may develop to communicate new developments, techniques, and improvements in the System and our plans, policies, research, developments and activities to franchisees. (Franchise Agreement Section 7(i))

7. We will maintain and update the 1-Tom-Plumber call routing system, website, including the dispatch functionality and all 1-Tom-Plumber social media. You are not authorized to maintain a website for your Franchised Business. (Franchise Agreement Section 7(f))

8. We will provide you with other resources and assistance that we may develop and make generally available to all of our other franchisees. Under no circumstances will we act directly or indirectly to control, nor do we reserve the right to control, the terms and conditions of employment for your employees or contractors. We also do not control your hiring, scheduling, supervision, discipline and termination decisions. (Franchise Agreement Section 7(k))

9. We will provide directives about local advertising, messaging, suggestions about pricing and limited time offers, and review and comment on or approve your annual marketing plan. (Franchise Agreement Sections 6(l) and 16)

10. We will offer a successor Franchise Agreement upon your satisfaction of the conditions described in the Franchise Agreement. (Franchise Agreement Section 4(b))

11. We will review any proposed transfer of your Franchise Agreement or your equity interests and either approve or disapprove that proposed transfer. (Franchise Agreement Section 22)

12. We will provide you with on-site training for a period of time to assist you with the post-opening activities for your Franchised Business. (Franchise Agreement Section 7(a), 7(e), and 8(a))

13. We will operate an automated call routing system that assigns requested Services by the zip code of the Service location. If the requested Services are within the Operating Area of a franchisee, we will forward that customer to the franchisee whose Operating Area encompasses the zip code where the Services will occur. The franchisee will be contacted directly by the customer to complete the Services first. (Franchise Agreement Section 7(f))

Except as listed above, we do not have any obligation to provide you with assistance regarding (1) developing services or products your Franchised Business will offer to your customers; (2) the hiring or training of your employees; (3) the improving or developing your Franchised Business; (4) establishing prices; (5) establishing and using administrative, bookkeeping, accounting or inventory control procedures; or (6) resolving operating problems you may encounter.

Advertising

We will assist you with developing a Market Introduction Plan to introduce 1-Tom-Plumber to the local market and will also assist you with your local annual marketing plan. The goal of the 1-Tom-Plumber Market Introduction Plan is to assist the franchisee in building strong sales and in developing a loyal clientele but there is no guarantee that it will do so.

You will develop the Marketing Introduction Plan with the assistance of our marketing team and submit it to us for approval before your Unit is scheduled to open. Your local advertising must align with our directives about local advertising, messaging, and other factors. We may offer suggestions about pricing and limited time offers. We may require you to purchase certain marketing and promotional materials from a designated supplier. We will approve or further modify your proposed Market Introduction Plan after receipt of your suggested modifications. If you do not receive our approval, you must follow up with us using alternative methods of communication. You will fund the Market Introduction Plan without a contribution from us or the Brand Fund. You should budget between \$5,000 and \$15,000 for the Market Introduction Plan.

We will conduct advertising in regional and national media using the funds available in the Brand Fund described below. We may use print, broadcast and on-line or electronic media, social media, direct mail and other promotional materials as funds permit. We will utilize a combination of in-house and advertising agency resources to produce advertising, and we will be the sole agency of record. The Franchise Agreement does not require us to spend any amount on advertising or other promotions in your Operating Area or your television market, also known as a Designated Marketing Area (“DMA”). We have no obligation to spend any additional amounts on advertising or promotion. (Franchise Agreement Section 19)

You may use your own advertising and promotional materials or content if you submit them to us for approval at least 30 days before making any financial commitment to using the materials. You may not use any advertising or promotional materials that we disapprove of or have not yet approved. If you don’t receive our approval within 30 days after submission, you must follow up with using alternative methods of communication. (Franchise Agreement Section 16).

Advertising Council

We currently have no advertising council composed of franchisees. We have no obligation to create an advertising council. We may create a council in future.

Local Marketing

In addition to the Market Introduction Plan, and starting 60 days prior to your opening date, and continuing for twelve months after opening, you must spend a minimum of \$1,000 monthly on local marketing, advertising, public relations, and promotions as directed by us. You must also spend at least two percent (2%) of Gross Sales (in addition to the Brand Fund Contribution, the Market Introduction Plan, and the \$1,000 first year monthly marketing spend) on local marketing for the Franchised Business on a quarterly basis on the annual marketing plan we have approved. We may either (i) collect and spend these funds on your behalf, or (ii) direct you on how to allocate them. We have sole discretion over Local Advertising, including budget allocation, marketing methods, media selection, and promotional content. We may, but are not obligated to, assist you with the review of local media campaigns. We may, but are not obligated to, provide you with standard print media advertising templates to use locally.

You conduct local marketing based on an annual plan approved by us. You may propose changes to the plan and propose advertising and marketing materials for use in your Operating Area. Any change to the plan or proposed materials must be approved by us. If you do not receive written approval of a change in the plan or proposed materials within 10 business days of our receipt of your request, you must follow up with using alternative methods of communication. We reserve the right to require you to discontinue the use of any advertising or marketing material that was previously approved upon notice from us.

You may not advertise or promote the business on any website or social media platform, including but not limited to Facebook, X, LinkedIn, TikTok, blogs, or forums, unless both the platform and the content have been authorized by us in advance. We control all aspects of the 1 Tom Plumber website, including its design, content, and updates. While we may create pages featuring your Franchised Business, we are not obligated to do so. If we require you to provide content for such pages, you must do so at your expense using our templates, subject to our approval.

You may not establish or maintain a separate website, splash page, or social media profile related to the System or your Franchised Business without our prior written approval. You must claim, update, and pay for all online business listings as directed by us or our affiliates. We may modify policies regarding internet use as necessary. We and/or our affiliates are the sole owners of www.1tomplumber.com and any other domain names we register. You waive any ownership rights to these or any similar domain names, including abbreviations, acronyms, phonetic variations, or visual variations. You are prohibited from registering any domain names that include or resemble our brand names

Local Advertising Cooperatives

We may establish one or more advertising cooperatives from time to time and, further, may change, dissolve, or merge any existing advertising cooperative at any time in our sole discretion. A cooperative will be formed for one DMA or multiple DMA's. All participants will contribute at the same rate or under the same formula. If the Franchised Business operates within a DMA for which an approved advertising cooperative exists, you will contribute to the advertising cooperative the amounts required by the cooperative up to 2% of the Gross Sales of the Franchised Business during each 4-week period. All Franchised Businesses that we or our affiliates operate will participate in any advertising cooperative that we establish for the DMA in which they are located on the same basis as the Franchised Business in the DMA. We will administer the cooperative unless we designate another party to perform the administrative functions. The cooperative may have written governing documents that we must provide or approve, which will be available for all participants in the cooperative to review. Each cooperative will maintain accounting records and compile financial statements that will be available for review by all participants. We retain the power to require any cooperative to be formed, changed, dissolved or merged with another cooperative. (Franchise Agreement Section 17)

Brand Fund

We have established a Brand Fund (the "Brand Fund"), effective as of the Issuance Date. You will pay a Brand Fund Contribution to us weekly, equal to two percent (2.00%) of the Gross Sales of the Franchised Business for the preceding week. We will account for all Brand Fund Contributions we collect in a separate account. All other franchisees and all Units operated by us or another affiliate will contribute at the same rate to the Brand Fund. We also may deposit the marketing, promotional and other payments we receive from suppliers into the Brand Fund.

We will administer the Brand Fund and will disburse the Brand Fund to pay for marketing, advertising, promotional, public relations, and other similar activities intended to benefit the System and all franchised and Company Units. Those activities may include (without limitation) (a) market research, (b) technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, (e) advertising production, (f) advertising and public relations agency fees and expenses, (g) product research and development, (h) developing and implementing marketing strategies, annual Unit marketing plan templates and supporting the evolution of the Market Introduction Plan, (i) developing and protecting our intellectual property, (j) franchisee conferences; and (k) operating an automated central dispatch system for contacts from prospective customers. We also may use the Brand Fund to pay or reimburse us for our administrative overhead incurred for activities supported by the Brand Fund. We will not use the Brand Fund to solicit new franchise sales. Consumer advertising copy for which the Brand Fund pays may include solicitations of interest for prospective franchisees. Any monies in the Brand Fund not spent at the end of each fiscal year will remain in the Brand Fund, provided that amounts contributed to the Brand Fund may be used to pay taxes associated with unspent amounts on deposit in the Brand Fund. We will have the sole and exclusive discretion to direct all activities and programs funded by the Brand Fund. The Brand Fund will not be separately audited, and we have no obligation to make its financial statements available to franchisees. You acknowledge that we have no obligation to expend Brand Fund amounts for your benefit equivalent or proportionate to your Brand Fund Contributions, and we do not warrant or guaranty that you will receive or derive any benefit from Brand Fund activities. We will make all studies and reports produced

by the Brand Fund available to you at no cost as Confidential Information. We will make copies of all materials produced by the Brand Fund for franchisee use available to you at your expense. We may suspend, terminate and reinstate the Brand Fund at any time. The Brand Fund will not terminate, however, until we have spent all moneys in the Brand Fund for the purposes set forth above (Franchise Agreement Section 19). Upon your written request within 180 days of the end of our fiscal year, we will provide you a copy of our annual report of expenditures of the Brand Fund during the most recently ended fiscal year on a confidential basis.

In the tax year ended December 31, 2025, the Brand Fund was used as follows: 5% on advertising and promotion; 14% on industry conventions and entertainment, 8% on website management and digital marketing; 51% on salary expenses; 4% on travel and administrative, including the cost of maintaining our distinct phone number, and 18% carryover.

Technology, Data, and Internet Systems

Required Technology and Software

In the Operations Manual, we will provide you with a list of computers, software, hardware, and other communication devices that you are required to purchase and maintain for the operation of the Franchised Business. You must purchase, install, and maintain all required software, applications, and hardware that we specify, and you may only download, install, or use software approved by us on such devices. You must maintain internet connectivity at the bit speed and quality we require from time to time.

We will provide you with email accounts to be used for all business communications, and you must use only such accounts for all Franchised Business communications. You must provide us with unlimited access to all information contained on your email accounts and computer systems, including financial and other information required to operate the Franchised Business.

Neither we nor our affiliates have any obligation to provide ongoing maintenance, repairs, upgrades, or updates to your Unit management systems. However, you are required to make periodic updates, modifications, patches, and upgrades to software as directed by us from time to time. There are no contractual limitations on the frequency or cost of such software updates. These updates may include user fees, software licensing fees, or technical support fees. As of the Issuance Date, you must obtain a license for, implement, and faithfully use QuickBooks accounting software from Intuit and the franchisor-designated management software (the “Software”), including all modules and features we require. Presently, the Software is provided by ServiceTitan, Inc. The combined monthly fees for QuickBooks and the Software typically range from \$1,000 to \$8,000, depending on the services you select and the size of your Franchised Business, and may exceed \$8,000. The Software presently supports dispatching, scheduling, call booking, marketing, reporting, billing, collections, customer management, and mobile data entry.

We may acquire, license, or develop the Software to replace any prior or current software, and we or our affiliates may be the sole supplier of such Software. We reserve the right to impose fees for any Software we provide and may require you to enter into a separate software agreement with us, our affiliates, or a third-party supplier.

You may be required to upgrade your Computer System hardware to meet new software requirements. However, upgrades to your Computer System will not be required more frequently than once every three years, unless earlier replacement is reasonably necessary due to changes in applicable law, security requirements, manufacturer obsolescence, or incompatibility with required software. The cost of these upgrades is estimated to be between \$3,300 and \$6,600, and the specific details will be provided to you in writing.

System Access and Network Participation

At our request, you must participate in any intranet, extranet, or other network system developed for use as part of the System, which may be combined with systems used by our affiliates. You must enter into any terms of use agreements governing such systems, which may include confidentiality requirements, password and security protocols, procedures for suspension or revocation of access, and privacy policies governing electronic communications. You must pay any fees imposed by us or third-party providers in connection with hosting or accessing such systems. (Franchise Agreement Section 9(e))

Your POS and management systems must remain online so we may remotely access, copy, or update software and view all records, files, and reports. You may not purge or delete data except as permitted in the Operations Manual. There are no contractual limitations on our right to access this information (Franchise Agreement Section 9(b))

Internet, Website, and Online Presence

We maintain sole discretion and control over the official franchisor website(s), including design, content, timing, and continuity. We may, but are not required to, create pages containing information about your Franchised Business or other locations. If we do, we may require you to prepare content at your expense using templates we provide, and all content is subject to our approval prior to posting (Articles 6 & 9).

You may not establish or maintain a separate website, splash page, social media profile, or other internet presence, nor advertise on the internet or any public computer network in connection with the System or Franchised Business, without our prior written approval. You must claim, update, and pay for all online listings as we designate. We may modify policies regarding our or your use of internet websites as we deem necessary for the System's best interests.

You acknowledge that we and our affiliates are the lawful and sole owners of the domain names www.1tomplumber.com, and any other domains we register. You unconditionally disclaim any ownership or interest in these domains and agree not to register any domain containing words used in or similar to any brand we own or control, or abbreviations, acronyms, phonetic variations, or visual variations of those words. (Franchise Agreement, Articles 6 and 9)

Consumer Data and Customer Lists

All personally identifiable information and other data obtained from consumers, suppliers, or others in connection with any 1-Tom-Plumber product or service ("Consumer Data") is owned exclusively by us, subject to applicable law. You have only a limited, transactional right to use Consumer Data during the term of the Franchise Agreement solely for operating the Franchised Business.

For purposes of the Franchise Agreement and this Disclosure Document, "Consumer Data" expressly includes all customer lists, customer databases, prospect lists, lead lists, and any compilations or derivatives thereof, whether created by you, us, or any third party, in any format or medium. All such customer lists and related goodwill are owned exclusively by us. You disclaim any ownership interest and acquire no rights other than the limited, revocable right to use such data solely to operate your Franchised Business.

Upon termination or expiration of the Franchise Agreement, you may not retain, copy, use, recreate, or exploit any customer lists or Consumer Data, including through memory, personal contacts, or independently compiled records. You must transfer all Consumer Data not automatically collected by required software to us at least monthly and no later than twenty (20) days after the end of each month. You must make a final transfer at termination or expiration, and all associated costs are your responsibility.

Data Security, Cybersecurity, and Compliance

You are solely responsible for complying with all applicable federal, state, and local laws, regulations, and industry standards relating to the use, storage, transmission, protection, and security of data and electronic communications, including data privacy, data protection, consumer protection, and payment processing

laws and regulations, as amended from time to time. This includes compliance with the Payment Card Industry Data Security Standards (“PCI DSS”) and any successor or replacement standards we may reasonably require. Failure to comply constitutes a default under the Franchise Agreement.

You must implement and maintain commercially reasonable administrative, technical, and physical safeguards to protect Consumer Data and other business information. At a minimum, this includes current antivirus and endpoint protection software, encryption where required, secure password protocols, and compliance with cybersecurity and information technology policies we establish.

You and your employees must participate in any cybersecurity, data protection, or phishing awareness training programs we require. You must promptly notify us of any actual or suspected data breach, cybersecurity incident, or unauthorized access to Consumer Data or your systems, and you are responsible for all associated investigation, remediation, notification, and compliance costs, except where prohibited by law.

If you accept, process, transmit, or store payment card or other financial information, you must do so in compliance with applicable laws and industry standards, including PCI DSS. We may require the use of approved payment processors, hardware, software, encryption methods, or security controls, and may require upgrades or changes at any time without limitation.

You may not use artificial intelligence tools, automated decision-making systems, machine learning applications, or other emerging technologies in connection with Consumer Data or the Franchised Business without our prior written approval. You must comply with any related policies we establish.

Cost Responsibility and Technology Updates

All costs associated with technology, data security, privacy, cybersecurity, software, hardware, system access, training, upgrades, updates, maintenance, and data transfer requirements are your responsibility, whether mandatory or optional, regardless of frequency or cost. We may modify System Standards relating to technology, internet, and data usage at any time by written notice or through the Operations Manual, and you must comply immediately. We may designate ourselves, an affiliate, or a third-party supplier as the sole source of any required technology.

Audit and Recordkeeping

You must maintain accurate business records, reports, accounts, books, and data relating to the operation of your Franchised Business, including all POS, accounting, and management systems. We and our designees may, at any time during normal business hours, review, copy, or analyze these records to verify compliance with the Franchise Agreement.

We may reconstruct your sales through reasonable methods of analysis if necessary to verify the accuracy of reports or payments. You are required to provide documentation supporting your reported sales if requested. We may also review records of other businesses in which you have an ownership or management interest, and in certain circumstances, we may request access to personal tax returns or other financial records of the owners to verify reported sales.

If an audit discloses any underreporting or misstatement, you may be required to pay additional amounts due, plus interest, and reimburse us for the costs of the audit if the understatement exceeds two percent (2%) or the audit was necessitated by your failure to provide required records or reports. In addition, repeated audit variances or intentional misreporting may result in termination of the Franchise Agreement, as described in Item 17.

Your POS and management systems must remain online and accessible so that we may remotely access, copy, or analyze the data. You may not purge or delete data except as permitted in the Operations Manual. All audits, review of records, and reconstructions of sales will be conducted in accordance with the Franchise Agreement.

Franchisee Advisory Council

We may establish a Franchisee Advisory Council (“FAC”) to permit clear communications on a routine and continual basis. FAC initially will be an appointed committee of franchisees established to provide our management with advice and feedback. Over time the FAC will include members elected by franchisees. FAC will be governed by by-laws drafted by Franchisor and generally will restrict eligibility to serve on FAC or vote for members of the FAC to franchisees who are in compliance or meet other our System Standards.

FAC members will generally meet by telephone, videoconference or in face-to-face meetings several times a year. FAC leadership generally incurs their own costs for attendance at the meetings, although it is common for franchisors to offset part of these costs. The leadership of FAC may require franchisees to pay dues.

Customer Service and Complaints

You will provide customers with the ability to send comments and complaints to us. Upon receipt of any consumer comments, we may send to the consumer an automatic response as determined by legal counsel. We will review all customer comments internally. With limited exception all complaints received will be immediately forwarded to franchisees for their review. As independent business owners, franchisees will be required by our System Standards to communicate with the customer and independently resolve all customer complaints.

When the solution proposed by franchisee does not satisfy the complainant, and we agree with the customer, we reserve the right, in or sole determination, to resolve the complaint. Upon such an occurrence, franchisee will be notified of our decision, and the franchisee will reimburse us for the costs we incur related to the resolution.

Operations Manual

The Table of Contents for the Operations Manual, showing the topics and number of pages dedicated to those topics, appears as Exhibit H to this Disclosure Document. We will loan you one copy of the Operations Manual or may grant access rights on our secure website for franchisees. The Operations Manual has a total of approximately 255 pages. We implement and enforce the Operations Manual and System Standards to promote our brand, enhance consistency among our Units, and protect the goodwill of the Marks. Any aspect of the Operations Manual that relates to any aspect of the terms and conditions of employment for your employees is not mandatory and is merely suggestive or provides only recommendations.

Training

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The Job- Training	Location
Manual Review, Market Introduction Plan, General Manager Recruitment	10	-	Milford, OH, Orlando, FL, or other designated location
Equipment and Vehicle Selection	2	-	Milford, OH, Orlando, FL, or other designated location

Materials Selection	2	-	Milford, OH, Orlando, FL, or other designated location
Software Training	4	-	Milford, OH, Orlando, FL, or other designated location
The Franchisor/Franchisor Relationship	2	-	Milford, OH, Orlando, FL, or other designated location
Introduction to 1-Tom-Plumber and Our Values	4	-	Milford, OH, Orlando, FL, or other designated location
Marketing and Referral Generation	4	-	Milford, OH, Orlando, FL, or other designated location
Sales	4	16	Milford, OH, Orlando, FL, or other designated location
Employee & Crew Management	6	2	Milford, OH, Orlando, FL, or other designated location
Training Your Team	2	-	Milford, OH, Orlando, FL, or other designated location
Client Service and Quality Control	2	-	Milford, OH, Orlando, FL, or other designated location
After Hours	2	-	Milford, OH, Orlando, FL, or other designated location
Office Administration	10	8	Franchisee Central Office, Milford, OH, Orlando, FL or other designated location
Software (From the Field and the Office)	8	2	Franchisee Central Office, Milford, OH, Orlando, FL or other designated location
1-Tom-Plumber Service Delivery Standards	-	16	Franchisee Central Office, Milford, OH, Orlando, FL or other designated location
General Management	4	-	Franchisee Central Office, Milford, OH, Orlando, FL or other designated location
Financial Management	4	-	Milford, OH, Orlando, FL, or other designated location

Total Hours	70	44	
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We will provide a start-up and onboarding training program (“Initial Training Program”) for you and/or your Operating Principal, managers, salespeople, dispatchers, and plumbers who are employed by you prior to your opening date. The Initial Training Program will be approximately two weeks in duration and will be held at a location we designate, at your Central Office location, and/or at a pre-approved operating location. There is no tuition or materials charge for the Initial Training Program for your initial owners and employees (up to 5), but you will be responsible for all compensation, benefits, travel and living expenses for your trainees.

The Initial Training Program must be successfully completed by your Operating Principal and initial general manager prior to the Unit opening date. We may modify your opening date based upon the projected date of successful completion of the Initial Training Program by the Operating Principal and/or general manager.

In addition, we require that your initial salespeople, plumbers, and dispatchers successfully complete the Initial Training Program within 45 days of hire, if they have not already attended the Initial Training Program. Of the employees who successfully complete the Initial Training Program, you must select one in each job position to be a certified trainer (“Certified Trainer”) to train other employees you hire to fill the same type of position. You must always have a Certified Trainer on staff for each job position including a Certified Trainer for managers, salespeople, plumbers, and dispatchers. If you lose a Certified Trainer and do not have another on staff for that particular job position, you must replace them within 30 days and require the replacement to successfully complete the next available training program offered by us, if they have not already done so. The tuition cost for a replacement to attend the training program is \$2,500 per trainee and you must cover all compensation, benefits, travel and living expenses for the trainee.

All other employees who are hired after the opening date must receive training from the applicable Certified Trainer and will be required to complete virtual training sessions on the brand standards, values, and Service Titan through our training website.

We may provide additional training or retraining of your personnel (“Additional Training”) at your request or if we deem it necessary to do so. We will provide the Additional Training at the times and places and for the duration we may designate. We currently charge an Additional Training Fee of \$500.00 per day, per trainer, plus the trainers’ travel, lodging, and meal expenses for additional training and support.

Our training programs may include online training, classroom sessions, and actual work experience. In addition, we may develop pre-training materials (print and electronic) that you and other attendees will be required to complete prior to attending a training program. You may be required to show competence in the pre-training material prior to attending training.

Training is a critical element to observing System Standards. Our Initial Training Program will provide you with a familiarity of the Brand, System Standards, history, culture, and Services to provide. Additionally, the Initial Training Program will provide knowledge for the daily operation of your Unit, use of the required software, and other features of operating your Unit. Our Initial Training Program is not intended to be a substitute for trade apprenticeships and will not suffice for the licensing or technical skills of plumbers, plumbing technicians, or other persons you employ.

We reserve the right to establish additional training fees, other than those specified, during the term of the Franchise Agreement. We reserve the right to change our training fees at any time. Certain course material may not be available to all your staff, and we reserve the right to determine which of your staff may attend certain modules of training. All training must be completed to our satisfaction. We typically offer our training programs monthly.

Training is conducted under the supervision of our VP of Franchise Operations Michael Hubbard. A franchise business coach will be assigned to you when you open to answer any questions you have related to daily operations and the Service Titan system.

The resources to be used during and after the completion of the required training are available electronically and will be made available to you. We currently do not charge for training material, but we may do so in the future.

We reserve the right to charge for continuing and advanced training at the then-current applicable training fee. Third-party training companies will establish their own training fees. You must comply with our continuing training requirements, which may require you to purchase additional equipment and inventory or to make other purchases to attend training or implement changes. Additionally, we may develop or acquire continuing or advanced training for your Operating Principal, general manager and other personnel to complete. You, including your Operating Principal and general manager, must attend and complete all mandated training.

ITEM 12

TERRITORY

The Franchise Agreement grants you the right to operate a single Franchised Business at the Central Office location within the Operating Area. You must operate the Franchised Business only at the Central Office and you may not relocate the Central Office without first obtaining our written consent. You may not establish or operate another Franchised Business unless you enter into a separate Franchise Agreement for that Franchised Business.

When you sign the Franchise Agreement, you will be assigned an Operating Area. Your Operating Area will be determined by us and stated in Attachment A of the Franchise Agreement. Operating Areas will generally be assigned based on zip codes, but Operating Areas in larger metro areas will be determined based on travel time and access to customers. The exact size of an Operating Area will be negotiated with each Franchisee based upon its experience and ability to service customers. You may only market and solicit to residential or commercial customers for the Services offered by the Franchised Business that are located within the Operating Area. There are no restrictions on your soliciting or accepting customers from any area that is not designated as the Operating Area of another franchisee.

The continuation of territorial protection for marketing under the Franchise Agreement does not depend on the achievement of any specific sales volume, market penetration or other contingency. We generally will consider the relocation of a Central Office and modification of an Operating Area under the same criteria as we would consider for an application to approve any new location, such demographics, traffic patterns, physical site profiles, access, parking, competition in the market area, and other factors.

Your Operating Area will be exclusive as we will not locate another Central Office in your Operating Area. We will not grant overlapping Operating Areas. We retain all rights that are not expressly granted to you to establish and operate a franchised or Company Unit. While it is not our intent, at this time, to expand our offices other than through company and franchisee owned offices, we reserve the right to do so through other distribution methods. We also reserve the right to merge with, acquire or become associated with any business including other plumbing businesses, of any kind under other system and/or other marks, which businesses may convert to or operate under the Marks and offer or sell plumbing, drain cleaning or other services or products that are the same as, similar to, or different than the plumbing, drain cleaning, or other services and products offered at or from a franchisee's office.

We retain the right to operate and license or franchise other persons to operate a Unit at any location outside of your Operating Area. We retain the right to market and sell within or outside the Operating Area without compensation to you at any location under trademarks, service marks, and commercial symbols different from

the Marks. You do not have the right to establish any additional or alternative channels of distribution without the express written permission of us that may be withheld at our sole discretion.

We have entered National Account Partnerships (“NAPs”) and reserve the right to negotiate and enter NAPs with clients to provide Services at locations both within and outside your Operating Area (“National Account Partners”). If we enter into any NAPs relevant to your Operating Area, we will provide you with prior notice of any such agreements and you may be asked to service a National Account Partner, unless you provide us with notice of your refusal to do so, in which case, we will be permitted to service those clients in your Operating Area.

We and our affiliates may conduct marketing, without limitation, anywhere. We may elect to establish minimum and maximum pricing and pricing guidelines for all Franchised Businesses. We and our affiliates may develop alternative distribution channels for our proprietary products, if any, and those alternative distribution channels may compete with you. We provide no assurances that those alternative distribution channels will be offered as franchises or, if offered as franchises, that they will be offered to Unit franchisees in those market areas. If your Central Office is in an area that experiences a major weather disaster, crisis, or other emergency requiring the performance of Services beyond your capabilities, we and our affiliates reserve the right to supplement the Services you are providing within your Operating Area.

We and our affiliates retain all rights that are not expressly granted to Franchisee to establish and operate a franchised or Company Unit. We and our affiliates also reserve the right to merge with, acquire or become associated with any business or stores of any kind under other system and/or other marks, which businesses may convert to or operate under the 1-Tom-Plumber Marks and offer or sell products and services that are the same as, similar to, or different than the products and services offered at or from a franchisee’s location.

Additional Franchises

Upon receiving your written request, we may award you additional franchises at our discretion, if you meet the then-current criteria we utilize in the awarding of additional franchises. The criteria to be awarded an additional Franchise are listed in our Manuals and may be updated at any time.

Regional Accounts.

We have the right to solicit Regional Accounts wherever they are located. In order to enable us to negotiate special arrangements involving Regional Accounts, including responding to requests for proposals (“RFP”) involving locations which may or may not be in your Territory, at our request, you must promptly evaluate the applicable Regional Account location(s) located within your Territory and prepare a bid package for each such location in accordance with such formats, procedures and specifications as we may establish, including any supplemental or modified bid package which we may require in order to satisfy the requirements of the Regional Account (each a “Bid Package”). If we accept the Bid Package, you must honor your proposal and sign all agreements and other documents and instruments as we and the Regional Account may require fulfilling the agreed upon contract terms (“Regional Account Agreement”). We will give you the first opportunity to submit a Bid Package on each proposed Regional Account location which is within your Territory and to perform 1 Tom Plumber Services to Regional Account locations located in your Territory; provided, however, that we may, as applicable, submit Bid Packages and perform such 1 Tom Plumber Services or cause other owners or contractors to do so, if: (a) you fail to timely submit a Bid Package in accordance with our request, or if we determine that the Bid Package submitted by you is likely to be rejected by the Regional Account; (b) we reject your Bid Package or if the Regional Account notifies you or us that it does not wish to be served by you; (c) you for any reason fail or refuse to perform in accordance with the Bid Package and Regional Account Agreement; (d) you, at the time of the issuance of the RFP or submission of the Bid Package, are in default of your obligations or under any other agreement with us, or under any other Regional Account Agreement to which you are party; or (e) you are, in our judgment exercised in good faith, not qualified, equipped or otherwise capable to satisfy the RFP or Regional Account Agreement requirements or to perform the services as required. We may, but are not

obligated to, compensate you for 1 Tom Plumber Services performed by us, our affiliates or other owners or contractors for Regional Account locations located in your Territory in such amounts (if any) as we determine.

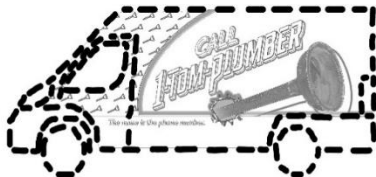
We or an affiliate may charge a management fee to offset the sales and administrative expenses of processing and managing Regional Accounts. We reserve the right to modify the Regional Accounts Program from time to time.

We may, but are not obligated to, compensate you for 1 Tom Plumber Services performed by us, our affiliate or another franchisee or contractor for Regional Account locations which are located within your Territory in such amounts (if any) as we determine. In addition to the Regional Accounts program, as it may be modified from time to time, an affiliate of ours may offer you subcontract work in accordance with its then-current procedures for servicing Centrally Managed Accounts. For purposes of this Agreement, the term “Centrally Managed Accounts” refers to customer accounts for multi-site, geographically dispersed real estate portfolios utilizing a network of subcontractors to perform the services. Our affiliates are not obliged to provide you with any subcontract work and may offer such work to your competitors.

ITEM 13

TRADEMARKS

The Franchise Agreement grants you the right to operate a Franchised Business under the Marks. Brand has registered with the United States Patent & Trademark Office (“USPTO”) on the Principal Register the following Marks identified as “Registered” in the “Status” column. Brand has registered with the United States Patent & Trademark Office on the Principal Register the following Marks.

Mark	Registration Date	Registration No.	Status
1-TOM-PLUMBER	February 19, 2019	5682134	Registered
THE PLUMBER WHOSE NAME IS HIS NUMBER	April 16, 2018	87878192	Registered
THE NAME IS THE PHONE NUMBER	April 9, 2024	7355087	Registered
PINK PLUNGER UNIVERSITY	February 25, 2025	7702127	Registered
CALL 1-TOM-PLUMBER THE NAME IS THE NUMBER 	April 9, 2024	7355244	Registered

Mark	Registration Date	Registration No.	Status
	April 9, 2024	7355128	Registered
THINK PINK (STYLIZED) 	December 2, 2025	8051357	Registered

All required affidavits have been filed. No renewals have yet been required.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending infringement, opposition or cancellation proceedings affecting the Marks. There is no pending material federal or state court litigation involving the use or ownership rights in a Mark. We know of no superior rights or infringing uses that could materially affect your use of our Marks.

Effective October 1, 2020, Brand licensed the Marks and the System to us under a trademark license agreement. We are granted a worldwide license of the Marks and System with the exclusive right to franchise the Marks and the System for 50 years. We are obligated to assure that all sublicensees comply with quality standards set by licensor. The trademark license agreement can be terminated by licensor only if we breach the agreement and fail to cure the breach within 60 days after receiving written notice of the breach, or if we become insolvent or are unable to pay our debts as they become due, or we commence a case for relief or reorganization, or are the subject of an involuntary case for relief or reorganization under the Federal Bankruptcy Code or under any other state or federal bankruptcy or insolvency laws, and such involuntary case continues for more than 90 days after its initial filing without dismissal. At termination of the trademark license agreement, we are obligated to assign to licensor all license, franchise and sublicensing agreements which we have entered into for the use of the Marks and the System, which shall continue in full force and effect until the expiration of the terms then in effect. If such an assignment occurs, licensor will not assume any liabilities that pre-date the assignment, for which we will remain liable.

We have no affirmative duty to protect your right to use the Marks but intend to take appropriate action if the need arises. We have the right to control any administrative proceedings or litigation involving a Mark we license to you. If anyone institutes or threatens litigation involving any component of the System, including the Marks, against you, you must notify us promptly and cooperate fully with us in defending or settling the litigation. We will have control over the defense and settlement of any administrative proceeding or litigation regarding the System. You also should notify us immediately when you learn about any infringing use of the Marks, any challenge to your use of the Marks, and any use or claim of the right to use any trademark or service mark confusingly similar to the Marks, by any third party.

Except as stated above, we do not have any obligation to take any affirmative action, participate in your defense, or indemnify you for expenses or damages if you become a party to an administrative or judicial proceeding involving a Mark we license to you or if the proceeding is resolved unfavorably to you. If we must, or we decide to, change the System and discontinue the use of any of the Marks, we reserve the right

to substitute different proprietary marks for use in your identifying the Franchised Business. We have no obligation to compensate you for the discontinuance or modification of any Mark, or the cost of changing “1-Tom-Plumber” as the primary mark of the System.

You may not use the Marks to offer or sell any services or products that are not a part of the System that we do not approve of first. You must comply with the rules and guidelines we issue for using the Marks. You cannot use a Mark as part of a corporate name or with modifying words, designs or symbols, except for those which we license to you. You also cannot display or erect any other mark on your office, stationery, advertising, sales/promotional materials or other objects, except for those Marks licensed to you. You may not use any Mark to promote or identify the sale of an unauthorized product or service, or in a manner we do not authorize in writing.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Other than our copyright in our Operations Manual and the copyrights listed below, we do not own any patents or copyrights and have no pending patent applications material to the Franchised Business.

We own certain proprietary information that constitutes trade secrets that you may use in the operation of a Franchised Business. You will have the right to use the proprietary information contained in the Operations Manual. Although we have not (yet) registered our copyright in the Operations Manual, we do claim copyright in it and the information contained in it does constitute proprietary information. The Franchise Agreement will obligate you and your owners to protect our proprietary information from unauthorized use and disclosure, and to have your managers and employees we designate in the Operations Manual sign a confidentiality agreement in the form we prescribe (Franchise Agreement, Attachment D). You must tell us promptly when you learn about any unauthorized use of the Operations Manual or the information contained in it. We have no obligation to take any action in that event; however, we will respond as we deem appropriate.

There are no currently effective material determinations of the United States Copyright Office or any court, or any pending material proceeding that would affect our copyrights. We have no agreements which would limit our right to license the use of any existing or future patents, copyrights or proprietary information. Although not obligated under any express provision of the Franchise Agreement, we intend to protect our rights in our existing and future patents, copyrights and proprietary information.

If anyone institutes or threatens litigation involving any of our patents, copyrights or proprietary information against you, you must notify us promptly and cooperate fully with us in defending or settling the litigation.

We will have control over the defense and settlement of any administrative proceeding or litigation regarding any patents, copyrights or proprietary information relating to the Franchised Business System. You also should notify us immediately when you learn about any infringing use of our patents, copyrights or proprietary information or any challenge to your use of our patents, copyrights or proprietary information.

Except as stated above, we do not have any obligation to take any affirmative action, participate in your defense, or indemnify you for expenses or damages if you become a party to an administrative or judicial proceeding involving any patents, copyrighted material, or proprietary information licensed by us to you or if the proceeding is resolved unfavorably to you.

If we must discontinue the use of any of our patents, copyrighted materials, or proprietary information relating to the System, we reserve the right to substitute different materials and/or information for use in your Franchised Business, but we have no obligation to compensate you for the discontinuance or

modification of any patents, copyrighted material, or proprietary information. We know of no infringing rights that could materially affect you.

We intend to renew any future registered copyrights when the registration expires.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

A franchisee is responsible for the operation of its Franchised Business. At least one person who owns at least 25% of the franchisee must be designated the Owner-Operator or Principal Operator and must attend the Initial Training Program. You must hire a general manager to handle day-to-day operations. The general manager is not required to have an ownership interest but must complete the Initial Training Program.

With our written permission, you may appoint a Designated Manager to perform your management obligations. Use of a Designated Manager does not relieve you of your obligations to operate the Business properly. All general managers, Designated Managers, and other designated individuals must complete training and sign agreements to maintain the confidentiality of trade secrets and comply with noncompetition requirements. Copies of executed agreements must be sent to us promptly. Designated Managers must devote full time and best efforts to managing the Business and may not engage in other business activities without our prior written consent. We must approve any Designated Manager before they assume responsibilities, and you must inform us of their identity. If multiple physical locations are operated, each location must have at least one trained and approved Designated Manager.

If the franchisee is a corporation, partnership, limited liability company, or other entity, each equity owner must personally guarantee the franchisee's obligations and agree to restrictions on transferring ownership. In community property states, a spouse may be required to sign a guaranty if community property funds are used. Any person or entity owning 5% or more of the franchisee, or becoming a minority owner, must execute a personal guaranty.

All shareholders, officers, directors, partners, members, managers, and employees with access to proprietary information must execute non-disclosure, non-solicitation, and noncompetition agreements in a form we accept. During the term of the franchise, you (if a sole proprietor) or the Principal Operator (if an entity) must devote full time and best efforts to managing the Business, including supervising day-to-day operations. Failure to comply will be deemed a default, and we may temporarily service customer accounts until the default is cured.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate your Franchised Business under the System as specified in the Franchise Agreement, the Operations Manual, and in our standards and policies. You may not engage in any business or offer any other services or products at your Central Office that is or are not a part of the System or without our express authorization in advance. You must offer for sale all of our products and services except those items we designate as optional. You may not offer additional products or services without our prior written consent. We retain the right to modify the Operations Manual to modify, discontinue or add to the goods and services that you must sell in your Franchised Business, which may include new or modified products and services, and the installation and use of new or modified equipment. There are no limits on our right to make these changes.

All advertising and promotional materials, office supplies, signs, vehicle wraps, supplies, uniforms, apparel, (including all business forms and stationery used in the Franchised Business) and other items we designate

must bear the Marks in the form, color, location and manner we prescribe. In addition, all advertising and promotion in any medium, (including Internet postings or markings) must be conducted in a dignified manner and must conform to the standards and requirements in the Operations Manual, the Franchise Agreement or otherwise. You must obtain our approval before you use any advertising and promotional materials and plans. We may furnish or sell to you apparel and other promotional items to use or resell at the Franchised Business.

We have the right to establish mystery customers, a customer survey feedback program, and any similar programs that we elect, in our sole discretion, to implement. We may use the survey results, scores and comments from such programs to evaluate whether or not you meet System Standards, are eligible for successor or additional franchises or comply with your Franchise Agreement. As of the Issuance Date, we use ServiceTitan for our customer survey feedback program.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in that agreement attached as Exhibit A to this Disclosure Document.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
a.	Length of the franchise term	4	The Franchise Agreement runs for a term of 10 years unless terminated earlier under the Franchise Agreement.
b.	Successor Term	4	You may renew the franchise for a ten-year successor term two times. You may not enter into a successor term if (i) you or any of your Affiliates are in default under any Franchise Agreement with us, (ii) you are not and were not in default under any agreement with us; (iii) any monetary obligations to us or our Affiliates are unsatisfied, (iv) if your Unit performs in the bottom quartile of Gross Sales for all Franchised Businesses (taking into consideration population differences), or we are no longer offering Franchised Businesses, (v) you have suffered more than one material default under any agreement with us or any Affiliate that occurred during the first year such agreement was in effect, (vi) you have suffered more than one cured or uncured material default under any franchise agreement or any other agreement with us during any 24 month period. We will notify you if you choose to renew and you do not meet these conditions. If you do not meet our requirements for a Successor Term, we may allow you to transfer your Franchised Business in accordance with the Franchise Agreement.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
c.	Requirements for you to renew or extend	4	You must give us 6 months advance notice of renewal, sign our then current form of the Franchise Agreement, execute a general release of claims, and complete any retraining program we may require. The franchise agreement we offer at the time of renewal may contain materially different terms, conditions and fees from the original franchise agreement. At the end of the initial term and the first renewal term, you must also upgrade your Franchised Business to our current entry standards and design elements, complete any retraining we require, upgrade to our current equipment package and install our current point-of-sale system and other equipment.
d.	Termination by you	Not Applicable	Not Applicable (subject to state law)
e.	Termination by us Without cause	Not Applicable	Not Applicable
f.	Termination by us with cause	29 and 30	We may terminate your Franchise Agreement after written notice of a curable default if you fail to cure within the time permitted or such longer period as required by law, or immediately upon written notice of an incurable default unless a longer notice period is required by law. We may terminate your Franchise Agreement at any time if, during three or more 4-week periods during a calendar year which occurs after the date which is 12 months after the Opening Date, the Franchised Business fails to produce Gross Sales of at least \$50,000 during any such 4-week period (i.e. are required to pay a 4-week minimum royalty of \$3,000 because your Net Sales were insufficient). We may also terminate if you don't open for business when required.
g.	"Cause" defined - curable defaults	30	A curable default consists of (1) the breach of any of your obligations under any agreement with us or our affiliates, other than an incurable default listed below; (2) any condition which makes the continued operation of your Franchised Business a danger to public health or safety; or (3) you breach any representation, covenant, or warranty made to us. If you do not remedy a curable default within 30 days after notice of a non-monetary default or within five days after notice of a monetary default, we may terminate your Franchise Agreement. These cure or notice periods may be extended by applicable law in your state.
h.	"Cause" defined - non-curable defaults	29	(1) A non-curable default includes your closure or abandonment of your Unit or one of your Vehicles for a specified period of time, except during the pendency of any force majeure event beyond your control; if you or any of your Owners who are a Guarantor become

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
			insolvent, request the appointment of or have a receiver appointed, or make a general assignment for the benefit of your or their creditors; your or any of your Owners' conviction for, or plead guilty or <i>nolo contendere</i> to a crime involving moral turpitude; a material inaccuracy in any of your representations in this Agreement or in any application you submitted to us to become a franchisee, or make materially false statements to us or any of our Affiliates; willful and material falsification or intentional underreporting of Gross Sales on any report, statement or other written data furnished to us; your failure to obtain our advance written permission when required under the Franchise Agreement; certain or multiple breaches of the Franchise Agreement; operating of the Unit, or allowing the Unit to be used, in a manner that, in our sole discretion, in any way jeopardizes the safety or welfare of customers, the public or the Unit staff, violates applicable law, or is damaging or potentially damaging to the goodwill, reputation and good name of the Proprietary Marks and the Brand; your default under any indebtedness with an outstanding principal amount of at least \$100,000; your failure to either (1) gain our acceptance of your proposed Central Office site, and/or (2) open your Franchised Business with our authorization under Section 6(i) of the Franchise Agreement on or before the date specified for opening in Attachment A to the Franchise Agreement.
i.	Your obligations on termination/non-renewal	33	You must (1) abide by the non-competition provisions of the Franchise Agreement; (2) promptly pay us and our Affiliates all amounts owed; (3) not use or adopt the System or any of our Marks or intellectual property; (4) remove from the Unit all signs, emblems and displays identifying it as associated with the System; (5) cease to use and return to us the Operations Manual and other confidential materials delivered to you; (6) cease to hold yourself out in any way as our franchisee or to do anything which would indicate any relationship between you and us; (7) change the exterior and interior design and décor of the Unit and make all changes in signs, buildings, Vehicles, and structures which we direct to distinguish the building and Vehicles from its former appearance as a Franchised Business; (8) pay all costs associated with de-identifying the business; and (9) transfer to us all telephone listings, domain names, and web pages for your Franchised Business or which contain, use or display any of our Marks or intellectual property.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
j.	Assignment of contract by us	22(a)	We may transfer, assign or pledge our interest in the Franchise Agreement, in whole or in part, to any person.
k.	“Transfer” by you- defined	22(b)	Any transfer of any interest in your Franchise Agreement or in you, either directly or indirectly, will constitute a “transfer” of your Franchise Agreement or you.
l.	Our approval of transfer by you	22(b)	You may not transfer any interest in your Franchise Agreement or a controlling equity interest in the franchisee entity without our consent.
m.	Conditions for our approval of transfer	22(b)	We may charge your transferee a Transfer Fee equal to 25% of our then initial Franchise Fee and may otherwise withhold consent for any reason.
n.	Our right of first refusal to acquire your business	23(a)	We have a right of first refusal to purchase your Franchised Business or any controlling interest in you that you propose to sell on the same terms and conditions offered to you by a third party.
o.	Our option to purchase your business	23(b)	We have an option to purchase your Franchised Business for its fair market value upon the termination or expiration of the Franchise Agreement. If you and we cannot agree on fair market value, then the purchase price will be the book value of the assets as shown on your balance sheet dated within 30 days before termination or expiration, or three times your EBITDA for the preceding 12 months, whichever is greater.
p.	Death or disability of you	22(b)	In the event of your death or permanent disability, the Franchise Agreement will terminate within 6 months unless we give our written consent to the assignment of the Franchise Agreement to your designated successor or successor by law.
q.	Non-competition covenants during the term of the franchise	11	You and your owners may not engage, either directly or indirectly through any financial or beneficial interest in any other person, in any “competing business,” other than a Franchised Business (subject to applicable state law). A “competing business” means any plumbing contractor or plumber. (subject to applicable state law)

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
r.	Non-competition covenants after the franchise is terminated or expires	11	For a period of two years after the termination or expiration of the Franchise Agreement, you and your owners may not engage in any competing business other than a 1 Tom Plumber Franchised Business, within your Operating Area, within 50 miles from the nearest boundary of your Operating Area or within any franchisee's operating area existing or then being developed at the time of termination, as then listed on our Website, available from us in writing or in the Operations Manual, or any directory we provide to you. (subject to applicable state law)
s.	Modification of the agreement	52	We may alter the System or Operations Manual as we deem necessary. We and you must agree in writing to any modifications to your Franchise Agreement.
t.	Integration/merger clause	40	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable. Nothing in any agreement you sign with us is intended to disclaim the express representations made in this Disclosure Document, its exhibits and amendments.
u.	Dispute resolution by arbitration or mediation	47	You must first submit all disputes and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes must be submitted to non-binding mediation in the state and city of our then-current National Headquarters (presently Orlando, Florida).
v.	Choice of forum	47	Subject to applicable state law, any legal action must be brought in the judicial district where our headquarters is located, which is currently in Orlando, Florida. Your local law may supersede this provision. See Disclosure Document Addenda for Certain States at <u>Exhibit C</u> .
w.	Choice of law	46	Subject to applicable state law, Florida and applicable federal law will apply to your Franchise Agreement and all rights and duties under the Franchise Agreement. Your local law may supersede this provision. See the Disclosure Document Addenda for Certain States at <u>Exhibit C</u> .

ITEM 18

PUBLIC FIGURES

There are no public figures involved with us or this franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

BACKGROUND

This Item 19 presents historical unaudited information about 39 1-Tom-Plumber franchised territories (“Franchised Territories”) that were open and continuously operating from January 1, 2025, through December 31, 2025 (the “2025 Accounting Period”).

As of the end of the 2025 Accounting Period, there were 56 Franchised Territories open and operating in the United States. 19 Franchised Territories are excluded because they commenced operations during the 2025 Accounting Period and were not open for the full 12-month period.

In addition, four Franchised Territories closed during the 2025 Accounting Period and are not included in this Item 19. Of the four that closed during the 2025 Accounting Period, one was closed after being open for less than 12 months.

Table A of this Item 19 presents historical unaudited information for four Franchised Territories that were operated as a corporately owned business until November 28, 2025. On that date, ownership transitioned in connection with Clintar, Inc.’s acquisition of our issued and outstanding membership interests.

These territories now operate as franchised locations and continue to be operated by the 1-Tom-Plumber founder. The business has been in continuous operation since 2018 and services the markets of Cincinnati, Ohio; Dayton, Ohio; Springfield, Ohio; and Northern Kentucky.

Tables B, C, and D of this Item 19 present historical unaudited information for the remaining 35 Franchised Territories that were open and continuously operating throughout the 2025 Accounting Period.

MATURE TERRITORY PERFORMANCE (CORPORATE-OPERATED PRIOR TO NOVEMBER 2025)

Table A presents historical unaudited operating results for the four Franchised Territories that were operated as a corporately owned business during the 2025 Accounting Period.

The information presented includes total Gross Sales, total number of completed jobs, and various metrics related to the sales price of completed jobs. For ease of comparison, Gross Sales per territory is calculated by dividing total Gross Sales by four, which reflects the number of Franchised Territories included in this data set.

These territories were operated as a single business during the 2025 Accounting Period and reflect the performance of a multi-territory operation serving the markets of Cincinnati, Ohio; Dayton, Ohio; Springfield, Ohio; and Northern Kentucky.

Because this business has been in operation since 2018 and reflects a mature operating model, its results may not be representative of newer territories. The relationship between total jobs completed and average

price per job reflects the mix of service types performed and may vary based on market conditions and service offerings.

TABLE A
GROSS SALES AND JOB DATA OF THE FOUR FRANCHISED TERRITORIES IN OHIO & NORTHERN KENTUCKY

Total # Completed Jobs	Total Gross Sales	Gross Sales per Territory (Calculated)	Average Price Per Job	High Price Per Job	Median Price Per Job	Low Price Per Job	% of Jobs That Exceeded the Average Price Per Job
16,559	\$12,040,332	\$3,010,083	\$704	\$29,938	\$299	\$49	26%

STATEMENT OF AVERAGE AND MEDIAN GROSS SALES

The following Tables B and C present unaudited information about the average and median Gross Sales of the 35 Franchised Territories that were open and continuously operating throughout the 2025 Accounting Period.

Table B presents overall system-wide Gross Sales performance for these Franchised Territories. Table C presents Gross Sales segmented by tenure, based on the number of full calendar years each Franchised Territory has been in operation.

We obtained this information from unaudited franchisee reports submitted to us consistent with our reporting requirements. Neither we nor our independent certified public accountants have audited or verified any of the Gross Sales information reported to us. Franchisees are not required to use generally accepted accounting principles when reporting these figures.

TABLE B
ANNUAL GROSS SALES OF THE 35 FRANCHISED TERRITORIES OPEN FOR THE ENTIRE 2025 ACCOUNTING PERIOD

# of Full Calendar Years in Operation	Number of Territories	Average Annual Gross Sales	High	Median	Low	Number & % At or Above Average	Number & % Below Average	Number & % At or Above Median	Number & % Below Median
1+	35	\$1,509,432	\$4,234,976	\$1,334,236	\$378,039	15 / 43%	20 / 57%	18 / 51%	17 / 49%

TABLE C
ANNUAL GROSS SALES BY TENURE OF THE 35 FRANCHISED TERRITORIES
OPEN FOR THE ENTIRE 2025 ACCOUNTING PERIOD

# of Full Calendar Years in Operation	Number of Territories	Average Annual Gross Sales	High	Median	Low	Number & % At or Above Average	Number & % Below Average	Number & % At or Above Median	Number & % Below Median
1–2	17	\$911,668	\$1,911,906	\$791,727	\$378,039	5 / 29%	12 / 71%	9 / 53%	8 / 47%
2–3	11	\$1,860,403	\$3,980,839	\$1,922,698	\$973,167	6 / 54%	5 / 46%	6 / 54%	5 / 46%
3+	7	\$2,409,619	\$4,234,976	\$1,944,853	\$778,200	3 / 43%	4 / 57%	4 / 57%	3 / 43%

STATEMENT OF AVERAGE AND MEDIAN JOB VOLUME

Tables D and E present unaudited information regarding the number of jobs completed by the 35 Franchised Territories that were open and continuously operating throughout the 2025 Accounting Period.

Table D presents overall job volume for these Franchised Territories. Table E presents job volume segmented by tenure, based on the number of full calendar years each Franchised Territory has been in operation.

Job volume may increase as territories mature and is a primary driver of Gross Sales performance.

The number of jobs completed may vary significantly based on factors including geographic market, population density, service mix, competition, and the operational practices of the franchisee.

TABLE D
ANNUAL JOB VOLUME OF THE 35 FRANCHISED TERRITORIES OPEN FOR THE
ENTIRE 2025 ACCOUNTING PERIOD

# of Full Calendar Years in Operation	Number of Territories	Average Annual Jobs Completed	High	Median	Low	Number & % At or Above Average	Number & % Below Average	Number & % At or Above Median	Number & % Below Median
1+	35	2,045	5,591	1,876	621	12 / 34%	23 / 66%	18 / 51%	17 / 49%

TABLE E
ANNUAL JOB VOLUME BY TENURE OF THE 35 FRANCHISED TERRITORIES
OPEN FOR THE ENTIRE 2025 ACCOUNTING PERIOD

# of Full Calendar Years in Operation	Number of Territories	Average Annual Jobs Completed	High	Median	Low	Number & % At or Above Average	Number & % Below Average	Number & % At or Above Median	Number & % Below Median
1–2	17	1,308	2,111	1,248	621	7 / 41%	10 / 59%	9 / 53%	8 / 47%
2–3	11	2,401	3,821	2,290	1,437	4 / 36%	7 / 64%	6 / 54%	5 / 46%
3+	7	3,277	5,591	2,777	1,387	3 / 43%	4 / 57%	4 / 57%	3 / 43%

SERVICE VALUE METRIC

Table F presents unaudited information regarding the average price of jobs completed by the 35 Franchised Territories that were open and continuously operating throughout the 2025 Accounting Period.

The average price of jobs is calculated based on total Gross Sales divided by the total number of jobs completed during the same period.

The relationship between the number of jobs completed and the average price per job is a primary driver of Gross Sales.

The average price of jobs may vary based on factors including the type of service performed, customer mix, geographic market, and service complexity.

TABLE F
AVERAGE PRICE OF JOBS COMPLETED BY 35 FRANCHISED TERRITORIES
OPEN FOR THE ENTIRE 2025 ACCOUNTING PERIOD

# of Full Calendar Years in Operation	Number of Territories	Average Price Per Job	High	Median	Low	Number & % At or Above Average	Number & % Below Average	Number & % At or Above Median	Number & % Below Median
1+	35	\$689	\$967	\$675	\$405	13 / 37%	22 / 63%	18 / 51%	17 / 49%

The information presented in this Item 19 is intended to provide insight into the historical operating performance of Franchised Territories within the 1-Tom-Plumber system.

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

Written substantiation for this financial performance representation will be made available to you at our company headquarters in Orlando, Florida upon your reasonable request. Other than the preceding financial performance representation, we do not make any financial performance representations. We also

do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Justin Ghadery at 6700 Forum Drive, Suite 150, Orlando, Florida 32821-8013 and (855) 832-6866, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
UNITS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Unit Summary for Years 2023-2025

Unit Type	Year	Units at the Start of the Year	Units at the End of the Year	Net Change
Franchisee	2023	9	23	14
	2024	23	37	14
	2025	37	56	19
Affiliate Owned	2023	4	5	1
	2024	5	6	1
	2025	6	0	-6
Total	2023	13	28	15
	2024	28	43	15
	2025	43	56	13

Table No. 2
Transfers of Units from Franchisees to New Owners
(other than The Franchisor) For Years 2023-2025

State	Year	Number of Transfers
TOTAL	2023	0
	2024	0
	2025	0

Table No. 3
Status of Franchise Units
For Years 2023-2025

State	Year	Units at Start of Year	Units Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Units at End of the Year
AL	2023	0	2	0	0	0	0	2
	2024	2	0	1	0	0	0	1
	2025	1	0	0	0	0	0	1

State	Year	Units at Start of Year	Units Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Units at End of the Year
AZ	2023	0	1	0	0	0	0	1
	2024	1	1	1	0	0	0	1
	2025	1	0	1	0	0	0	0
CA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
FL	2023	1	0	0	0	0	0	1
	2024	1	5	0	0	0	0	6
	2025	6	3	0	0	0	0	9
GA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
HI	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
IA	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
IL	2023	1	0	0	0	0	0	1
	2024	1	1	1	0	0	0	1
	2025	1	0	0	0	0	0	1
KY	2023	1	0	0	0	1	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
LA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MN	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
MO	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
NC	2023	0	1	0	0	0	0	1
	2024	1	1	1	0	0	0	1
	2025	1	1	0	0	0	0	2
NV	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2

State	Year	Units at Start of Year	Units Opened	Term- inations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Units at End of the Year
NY	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
OH	2023	0	1	0	0	0	0	1
	2024	1	2	0	0	0	0	3
	2025	3	3	0	0	0	0	6
OK	2023	1	1	0	0	0	0	2
	2024	2	0	1	0	0	0	1
	2025	1	0	0	0	0	0	1
PA	2023	0	2	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3
SC	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3
TN	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	3	0	0	0	0	4
TX	2023	1	0	0	0	0	0	1
	2024	1	4	0	0	0	0	5
	2025	5	2	0	0	0	0	7
UT	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
VA	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	2	0	0	0	0
WA	2023	0	2	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3
WI	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	1	0	0	0	0
TOTAL	2023	9	15	0	0	1	0	23
	2024	23	19	5	0	0	0	37
	2025	37	23	4	0	0	0	56

Table No. 4
Status of Affiliate-Owned Units
For Years 2023-2025

State	Year	Units at Start of the Year	Units Opened	Units Reacquired from Franchisee	Units Closed	Units Sold to Franchisee	Units at End of the Year
KY	2023	1	0	1	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	2	0
NC	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	0	0	0	1	0
OH	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
	2025	3	0	0	0	3	0
TOTAL	2023	4	0	1	0	0	5
	2024	5	1	0	0	0	6
	2025	6	0	0	0	6	0

Table No. 5
Projected Openings as of December 31, 2025

State	Franchise Agreements Signed but Unit Not Opened	Projected New Franchised Unit in the Next Fiscal Year	Projected New Affiliate-Owned Unit in the Next Fiscal Year
CA	1	1	0
FL	4	4	0
GA	2	1	0
IA	2	2	0
MD	1	0	0
MI	1	1	0
NJ	1	1	0
NY	2	2	0
OH	1	1	0
PA	3	2	2
TX	1	1	0
VA	2	3	0
WA	4	1	0
Total	25	20	0

No franchisee has failed to communicate with us during the 10 weeks prior to the Issuance Date of this Disclosure Document.

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

Attachment I lists all Unit Locations as of December 31, 2025. Exhibit I lists all the names and addresses of current franchised outlets as of December 31, 2025.

Confidentiality Clauses

As a standard practice, when we enter into settlement agreements with a franchisee or former franchisee, we will require them to agree to maintain as confidential all information that the franchisee or former franchisee has about us. We have not entered into any such agreements in the last three fiscal years. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with the System. You may wish to speak with current and former franchisees but be aware that not all of these franchisees will be able to communicate with you.

Franchisor Sponsored and Independent Trademark Specific Franchisee Organizations

We have not created, sponsored or endorsed any trademark-specific franchisee organization, and no independent franchisee organization is incorporated or otherwise organized under state law and asks us to be included in our Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

Attached in Exhibit “E” are the consolidated audited consolidated financial statements of EverSmith Brands Holding Company, our parent, for the years ended December 31, 2025, December 31, 2024, and December 31, 2023, respectively. Our parent, EverSmith Brands Holding Company, has guaranteed our performance with you. A copy of the Guarantee of Performance is attached as Exhibit “F.” Our fiscal year end is December 31 of each year.

ITEM 22

CONTRACTS

Attached are copies of all of the agreements for use regarding the offering of this franchise: Exhibit

- | | |
|------------|--|
| Exhibit A. | Franchise Agreement and Attachments |
| Exhibit B. | Form of General Release |
| Exhibit C. | Form of Non-Disclosure and Non-Use Agreement |
| Exhibit D. | State Addenda |

ITEM 23

RECEIPT

Duplicate copies of the receipt appear after the exhibits as the last two pages of this Disclosure Document.

EXHIBIT A – FRANCHISE AGREEMENT

1-Tom-Plumber

FRANCHISE AGREEMENT

between

1 TOM PLUMBER GLOBAL LLC.

and

Operating Area:

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FRANCHISE AGREEMENT

This Franchise Agreement (this “Agreement”) is made and entered into as of the Effective Date, by and between 1 Tom Plumber Global LLC, an Ohio limited liability company (“we,” “us,” “Franchisor” or “our”), as franchisor, and _____, a _____ (“you,” “Franchisee” or “your”), as franchisee. For good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, the parties mutually agree as follows:

1. **DEFINITIONS.**

Words and phrases used in initially-capitalized form in this Agreement have the meanings assigned in Section 46 of this Agreement unless the context indicates otherwise.

2. **GRANT OF FRANCHISE.**

(a) **GRANT.**

Subject to the terms and conditions in this Agreement, we grant to you the right, license and privilege to operate a Unit, only at the location of your Central Office for the Franchised Unit, and the right, license and privilege to use and employ the Franchised System, the Proprietary Marks, and the Intellectual Property to provide the Plumbing Services to residential and commercial addresses in the Operating Area during the Term.

(b) **RESERVATION OF RIGHTS.**

We and our Affiliates reserve the right to engage or authorize others to engage in any business activity at any location within or outside the Operating Area under the Proprietary Marks or otherwise except as expressly limited under this Agreement. There are no implied covenants or obligations regarding territorial rights arising from this Agreement or any other agreement or arrangement between us and you. You have no right to participate in or benefit from any such other business activity. In addition, we reserve all rights of ownership, control, modification, revision, updating and termination with regard to the Franchised System. Your only rights with regard to the Franchised System are limited to the license as we expressly grant to you under this Agreement during the Term, and the parties intend that no implied covenants or rights attach or arise under the license you accept in this Agreement.

(c) **DESIGNATION OF OWNER-OPERATOR.**

Unless you operate as a sole proprietorship, you will designate one person from among the list of Owners with at least five percent of your outstanding equity on Attachment A who will be your “Owner-Operator.” In such capacity, the Owner-Operator shall devote his or her full time and attention to the management, supervision and operation of the Franchised Unit. We may rely upon communications and decisions of the Owner-Operator as fully authorized by all necessary corporate action and legally binding on you. You may designate another Owner to serve as Owner-Operator by written notice to us as long as designee owns at least the required percentage of your equity as listed on Attachment A at the time of designation.

(d) **REGIONAL ACCOUNTS.**

Without limiting the generality of Section 2.B., we expressly reserve the right to solicit Regional Accounts wherever located. In order to enable us to negotiate special arrangements involving Regional Accounts, including responding to requests for proposals (“RFP”) involving locations which may or may not be located in the Territory, upon our request, you must promptly evaluate the applicable Regional Account location(s) located within the Territory and prepare a bid package for each such location in accordance with such formats, procedures and specifications as we may establish, including any supplemental or modified bid package which we may require in order to satisfy the requirements of the Regional Account (each a “Bid Package”). If we accept the Bid Package, you must honor the proposal and execute such agreements and other documents and instruments as we and the Regional Account may require to fulfill the agreed upon contract terms (“Regional Account Agreement”). We will afford you the first opportunity to submit a

Bid Package on each proposed Regional Account location which is within your Territory and to perform 1 Tom Plumber Services to Regional Account locations located in the Territory; provided, however, that we may, as applicable, submit Bid Packages and perform such Landscape Maintenance Services ourselves or cause other franchisees or contractors to do so, if: (a) you fail to timely submit a Bid Package in accordance with our request; (b) we reject your Bid Package or if the Regional Account notifies you or us that it does not wish to be served by you; (c) you for any reason fail or refuse to perform in accordance with the Bid Package and Regional Account Agreement; (d) you are, at the time of the issuance of the RFP or submission of the Bid Package, in default of your obligations or under any other agreement with us, or under any other Regional Account Agreement to which you are a party; or (e) you are, in our judgment, exercised in good faith, not qualified, equipped or otherwise capable to satisfy the RFP or Regional Account Agreement requirements or to perform the services as required. You acknowledge and agree that we or our affiliate may charge a management fee to offset the sales and administrative expenses of processing and managing Regional Accounts. The amount of the management fee varies from customer to customer based upon a number of factors including: i) the direct cost of administrative and management oversight provided; ii) the associated overhead cost such as payment terms (financing) and risk management (insurance); and iii) the profit margin.

We may, but are not obligated to, compensate you for 1 Tom Plumber Services performed by us, our affiliate or another franchisee or contractor for Regional Account locations which are located within your Territory in such amounts (if any) as we determine.

In addition to the Regional Accounts program, as it may be modified from time to time, an affiliate of ours may offer you subcontract work in accordance with its then current procedures for servicing Centrally Managed Accounts. For purposes of this Agreement, the term “Centrally Managed Accounts” refers to customer accounts for multisite, geographically dispersed real estate portfolios utilizing a network of subcontractors to perform the services. Our affiliates are not obligated to provide you with any subcontract work and may offer such work to your competitors.

3. **OPERATING AREA.**

(a) When you sign this Agreement, unless you have selected and we have accepted the Central Office for the Franchised Unit, we will designate your Operating Area which will be an area defined by zip codes, a map or other means described on Attachment A. You must find a location for the Central Office acceptable to us within the Operating Area. During this period, we will not grant a Unit franchise to any other party and our Affiliates will not open or develop another Unit within the Operating Area. When we accept the location for your Central Office within the Operating Area, we will fix location of the Central Office by unilaterally completing and sending you the notice appended to Attachment A. Your Operating Area will be limited to the boundaries that we unilaterally set in Attachment A. Your signature is not required for that notice to be effective and binding on you.

(b) We and our Affiliates will not locate another central office within the Operating Area. You acknowledge and agree that we and our Affiliates will have the right to operate, to franchise and license other Persons to operate a Unit at any location outside of the Operating Area.

(c) You may only market and solicit to residential or commercial customers for the Plumbing Services offered by your Unit that are located within the Operating Area. There are no restrictions on your solicitation or acceptance of customers from any area that is not designated as the Operating Area of another franchisee; provided, however, we may, at our discretion, by written notice to you restrict your solicitation, acceptance and fulfillment of Plumbing Services to your Operating Area.

(d) You also acknowledge and agree that we have the right (a) to market and sell the same and similar services and products as those offered under the Franchised System under trademarks, service marks, and commercial symbols different from the Proprietary Marks through the same, similar or different distribution channels; (b) to market and sell the same services and products as those offered as

part of the Franchised System through alternate distribution channels; (c) to supplement the services you are providing in your Operating Area in the event of a major weather disaster or crisis; and (d) to advertise, market and sell those services and products on the Internet and otherwise. These rights include the offer and sale of Plumbing Services and related services under the Proprietary Marks in commercial or residential channels or with respect to a NAP, outside the Operating Area.

4. **TERM.**

The “Term” consists of the Initial Term and the Successor Terms described below.

(a) **INITIAL TERM.**

This Agreement shall be effective as of the Effective Date and shall continue for an “Initial Term” of ten (10) years from the Opening Date, unless terminated earlier under this Agreement.

(b) **SUCCESSOR TERMS.**

We may require that you may enter into a successor Franchise Agreement that will succeed this Agreement to continue the affiliation of your business as a Franchised Unit as a condition to begin each of two (2) additional “Successor Terms” of ten (10) years each, subject to satisfaction of the conditions for succession in this Section. The successor Franchise Agreement may have materially different terms, conditions and fees. THERE ARE NO OTHER RENEWAL RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT.

(c) **SUCCESSION NOTICE & ELIGIBILITY.**

If you intend to enter into a successor Franchise Agreement, you must give us written notice of your intent at least 6 months before the end of the Initial Term and the Successor Term, if any. You will be eligible to continue affiliation if at the time you must give notice of your intent to continue affiliation and at all times through the end of the Term then ending, (i) you and your Affiliates are not and have not been in default under this Agreement or any other agreement with us or one of our Affiliates; (ii) you and your Affiliates have satisfied all monetary obligations then due and owing to us and our Affiliates, to suppliers and to the landlord of the Lease; (iii) the Franchised Unit is not in the bottom quartile of franchised Units for Gross Sales for the preceding fiscal year (taking into consideration population differences); (iv) you have not suffered more than one material default under any agreement with us or any Affiliate that occurred during the first year such agreement was in effect; (v) you have not suffered more than one cured or uncured material default under any franchise agreement or any other agreement with us during any 24 month period; and (vi) we are offering franchised Units. You agree that the failure to satisfy the succession eligibility criteria constitutes good cause not to offer you succession at the end of the Initial Term or the first Successor Term. We will notify you within 30 days after we receive your succession notice if you are not eligible to continue affiliation. We may waive, in our sole discretion, any disqualifications for any Franchised Unit or franchisee to enter into a succession franchise agreement for its franchise. No such waiver will provide or confer any right or benefit on any Person except the affected franchisee. If you are not eligible for a successor Franchise Agreement, we may permit you to transfer your Franchised Unit in accordance with this Agreement.

(d) **ADDITIONAL CONDITIONS.**

Our consent will be further conditioned on maintaining eligibility to renew through the end of each Term, and on your satisfaction of the following conditions: You and your Owners must, at the times we specify, (i) at our request and after any disclosure required by law, execute our then current form of franchise agreement and personal guaranty as the successor Franchise Agreement; (ii) perform the remodeling, repairs and renovations described below that we may require; (iii) upgrade to our current equipment package and install our current point-of-sale system and other equipment; (iv) complete, at your expense, any retraining program we may require; and (v) execute a general release of any and all claims you, your Owners and any guarantor may have against us and our Affiliates as of that time, except for such claims as

may not be released in advance under applicable law. At the end of the fifth year of the Initial Term, the Initial Term, and each Successor Term, you must upgrade your Unit and/or Vehicles to our current entry standards and design elements, complete any retraining we require, upgrade to our current equipment package and install our current operating software and other equipment.

(e) **INTERIM PERIOD.**

If you do not exercise your right to renew this Franchise Agreement prior to the expiration of this Agreement and you continue to accept the benefits of this Agreement after the expiration of this Agreement, then at our option, this Agreement may be treated either as (i) expired as of the date of expiration with you then operating a franchise without the right to do so and in violation of our rights; or (ii) continued on a month-to-month basis (“Interim Period”) until one party provides the other with written notice of such party’s intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all of your obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period. Additionally, during the Interim Period, your royalty rate will increase by 5%.

5. **FEES & SECURITY INTEREST.**

(a) **INITIAL FRANCHISE FEE.**

You will pay us a non-refundable franchise fee when you sign this Agreement in the amount specified on Attachment A.

(b) **ROYALTY FEE.**

You will pay us a "Royalty Fee" equal to 6.00% of the Gross Sales of the Franchised Unit during the preceding week, provided that upon and after the date which is 18 months after the Effective Date, you must pay us a minimum Royalty Fee of \$3,000 over each four-week period occurring after the anniversary. If you are in default under your Franchise Agreement, we can increase your royalty rate by one percent (1%) of Gross Revenue to seven percent (7%).

(c) **POPULATION FEE.**

Beginning in the seventh month after opening, you will pay us a monthly “Population Fee” in the amount specified on Attachment A. We may unilaterally adjust the Population Fee, at our sole discretion, upon an adjustment to your Operating Area.

(d) **BRAND FUND CONTRIBUTION.**

You will pay us, when you pay your Royalty Fee, a Brand Fund Contribution if, as and when required under this Agreement. You will pay the Brand Fund Contribution to us in addition to the amounts you must spend under Sections 0 and 17 of this Agreement. The rate of the Brand Fund Contribution will be 2.00% of Gross Sales of the Franchised Unit during the preceding week.

(e) **ADVERTISING REALLOCATION FEE.**

We reserve the right to reallocate all marketing expenditures as determined in our sole discretion.

(f) **TECHNOLOGY FEE.**

We do not currently impose a Technology Fee payable to us. We reserve the right to add a Technology Fee in the Operations Manual with 30 days’ prior written notice to you to cover the costs and overhead of any technology provided to you, such as a license of software tools, database management, software maintenance, internet usage, and help desk support.

(g) **RELOCATION FEE.**

If you apply to relocate the Central Office after the Opening Date, then you will reimburse us for any costs we incur in excess of the Relocation Fee to analyze and support the relocation.

(h) **CONVENTION FEE.**

If we hold a 1-Tom-Plumber brand convention, you must attend and pay us the Convention Fee when we invoice you. As of the Effective Date, we expect the convention registration fee to be \$750 and that only one convention will be held per year. We may increase the amount that you must pay, as specified in the Operations Manual, to not more than \$1,500 per attendee. We may charge additional convention registration fees for additional attendees.

(i) **PAYMENTS.**

You must pay us Royalty Fees and Brand Fund Contributions weekly based on the Gross Sales of your Franchised Unit during the preceding week. You must report weekly Gross Sales to us each Tuesday and make the weekly payments by electronic funds transfer on Wednesday for Gross Sales reported for the previous week, which ends on the close of business Saturday. All other monthly payments are made with the first weekly payment each month based on the Gross Sales reported for the month just ended. You agree to act in good faith to generate as much revenue as possible

(j) **INTEREST.**

Any late payments that you make pursuant to this Agreement will bear interest from their due date until paid at a rate equal to the lower of (a) 1.50% per month or (b) the maximum interest rate allowed by applicable law.

(k) **TAXES.**

You will pay us an amount equal to any federal, state, provincial or local sales, gross receipts, use, value added, excise or similar taxes assessed against us on the royalty and Marketing Contributions by the jurisdictions where your Franchised Unit is located, including any income tax, franchise or other tax levied on us for our privilege of doing business in your State. You will pay Taxes to us when due.

(l) **EFT PAYMENT.**

You will pay all amounts due to us after your Franchised Unit opens by electronic means under the Automated Clearing House Payment Authorization attached as Attachment B, or under any substitute form of authorization that we may require during the Term so that your fees will be paid by means of electronic funds transfer without the necessity of your transmitting a paper check to us.

(m) **SECURITY AGREEMENT AND INTEREST.**

As security for the payment of the foregoing amounts and performance of your obligations under this Agreement, you grant to us, our successors and assigns a security interest in this Agreement, all signs, signage, décor items, goods, supplies, equipment, and inventory containing any of the Proprietary Marks located at the Franchised Unit. You grant us the authority and power to file a copy of the signature page of this Agreement as part of any financing statement necessary to perfect and maintain our security interest during the Term, in any and all appropriate offices and public records. We may notify your other creditors and lenders about the security interest and have no obligation to subordinate our interest to that of any other lender or secured creditor.

(n) **BANK FEES.**

If we are unable to collect your check or electronic funds transfer when due, we will invoice you for the fees and charges we pay our bank plus \$5.00, presently \$55. All updates to Bank Fees will be reflected in the Operations Manual. The Bank Fee is not interest or a penalty, it is only to compensate us for increased administrative and management costs due to the returned payment. The invoice is due on receipt.

(o) **INDEMNIFICATION COSTS.**

If we incur damages, costs, or expenses from third party claims arising from your operation of the Franchised Unit, you must reimburse us for the damages, costs, or expenses that we incur, plus a twenty-five percent (25%) administration fee. Additionally, you must pay our costs for enforcing the Franchise Agreement or any other agreement against you, plus a twenty-five percent (25%) administration fee.

(p) **INSURANCE COSTS.**

If we incur damages, costs, or expenses to obtain required insurance on your behalf or to complete your post-termination obligations, you must reimburse us the damages, costs, or expenses of the insurance, plus a five percent (5%) administration fee.

(q) **ENFORCEMENT COSTS.**

If we must enforce this Agreement against you, you must reimburse us for the damages, costs, or expenses we incur to cause your compliance with this Agreement or to compensate us for costs we incur directly and indirectly as a result of your breach, including, but not limited to, attorneys' fees, court costs, collection costs, expert fees and costs, and discovery costs. Additionally, if you are not in compliance with the Franchise Agreement, in addition to any other remedies, there is a non-compliance fee of up to \$1,000 per occurrence.

(r) **JOINT EMPLOYMENT; CHANGE OF RELATIONSHIP FEE.**

If we determine, in our sole discretion, that any legislation, regulation, arbitration or a decision of a court of competent jurisdiction holds that either (i) we are your employer, or (ii) we are a joint employer with you of your employees or results in a similar change in our relationship with you, you must reimburse us for all costs incurred by us.

(s) **LATE FEES.**

In addition to interest charges on late payments, you must pay to us the then current late fee for each delinquent report, presently \$25 per late report, and/or for each day that any payment that you owe to us under this Agreement is paid late, per occurrence. All updates to Late Fees will be reflected in the Operations Manual. The late fee is not interest or a penalty, it is only to compensate us for increased administrative and management costs due to the late payment. The invoice is due on receipt.

Notwithstanding anything contained in this Agreement, upon the failure of the Franchisee to pay to the Franchisor as and when due, any amounts of money provided for herein, the Franchisor shall have the right at its election, to deduct any and all such amounts remaining unpaid from any monies or credits held by the Franchisor for the account of the Franchisee (if any).

6. **FRANCHISED UNIT DEVELOPMENT.**

(a) **DEVELOPMENT OVERSIGHT.**

Except as specified in this Agreement and the Operations Manual, we are not obligated to provide any assistance in locating your Central Office, negotiating the lease, selecting your 1 Tom Plumber branded trucks ("the Vehicles"), conforming the premises or Vehicles to local codes and ordinances, obtaining permits, constructing, remodeling, decorating, equipping, or wrapping the Central Office or your Vehicles, hiring and training employees (except for the training we provide described in training below), or providing for necessary equipment, signs, fixtures, opening inventory, supplies, tools and Vehicles.

(b) **VEHICLE SELECTION.**

We will provide you with our standard plans, specifications, and layouts for the exterior design and wrapping, interior design, mechanical and electrical systems, equipment, décor and signs for a prototype Vehicle that we make available to franchisees. You must purchase or lease at least three new or used trucks from a third party and convert the Vehicles for use in compliance with System Standards. We may, however,

require that you purchase a greater number of Vehicles depending on your capabilities and the size, geography, traffic patterns, and natural barriers of your Operating Area. You are required to obtain our approval of the branding and wrapping of your Vehicles.

(c) **CENTRAL OFFICE SELECTION.**

We will provide you with advice and consultation in the selection of sites for the Central Office. We will review the information you submit for each proposed site for the Central Office, conduct any investigation of the proposed site if we deem appropriate to evaluate the site, and accept or reject the site within 10 days after your submission of all initial and supplemental information we request regarding a proposed site. If we accept the site, we will give you notice of any remaining conditions to that acceptance. If we reject the site, we will give you the reasons for the rejection. Effective upon our acceptance, you acknowledge that you have selected and we have accepted the Central Office, and that our acceptance of your selection does not guarantee or warrant that the location will be successful or that it represents the best site for the Franchised Unit from among those available to you. You acknowledge that we may have provided you with advice and consultation in the selection of sites for your Franchised Unit. We may have delivered our written review and evaluation of any proposed sites you propose. You have had the opportunity to obtain independent advice on the site for your Franchised Unit and are not relying on our review and evaluation. If required by us or requested by you, a site review visit may be arranged, subject to our availability. If we conduct more than one site review visit, we may charge you a \$500 fee per additional site visit in addition to all expenses associated with each site visit.

(d) **LEASE/PURCHASE AGREEMENT.**

You must own or lease the Central Office at all times during the Term and provide us with a copy of the fully executed deed or lease of the Central Office upon request. We reserve the right to approve the form and content of any Central Office lease or the purchase agreement and any modifications or amendments thereto before you sign the document. We reserve the right to review the lease or purchase agreement, and, if applicable, any modifications or amendments to the lease, and accept or reject your lease or purchase agreement for the Central Office within 10 days after your submission of all initial and supplemental information we request regarding the proposed lease or purchase agreement. We reserve the right to require you to obtain as part of the lease documentation a signed Lease Rider with the landlord in substantially the form attached as Attachment E when you provide us with a copy of the signed Central Office lease (the “Lease”).

(e) **PLANS.**

We may provide you with our plans, specifications and layouts for the exterior design, wrapping, interior build-out, mechanical and electrical systems, equipment, décor and signs for a prototype Unit and Vehicle that we make available to franchisees, if any. If we do, you will design, equip, build-out, and wrap the Unit and Vehicle in strict conformity with the layout, plans, and specifications we approve. We will review your site plan and final plans and specifications for conformity to System Standards. We will not unreasonably withhold or delay our approval, which is intended only to test compliance with System Standards, and not to detect errors or omissions in the work of your architects, engineers, contractors or the like. Our review does not cover technical, architectural or engineering factors, or compliance with federal, state or local laws, regulations or code requirements. You are responsible for designing and building the Unit to meet applicable requirements of the Americans with Disabilities Act, state and local government laws, and related regulations governing the service of Persons with disabilities in public accommodations. We will not be liable to your lenders, contractors, employees, customers, others or you on account of our review or approval of your plans, drawings or specifications, or our inspection of the Franchised Unit before, during or after renovation or construction.

(f) **CONSTRUCTION AND BUILD-OUT OF FRANCHISED UNIT AND CONFORMITY OF VEHICLES.**

You will complete the construction, build-out, remodeling, and branding of the Franchised Unit and Vehicles to meet our System Standards within the time specified on Attachment A. You will construct, remodel, and brand the Franchised Unit and Vehicles in strict conformity with the site layout, plans and specifications we approve. If we determine (before the Opening Date) that you have not constructed, built-out, remodeled, or branded the Franchised Unit or Vehicles in strict conformity with the site layout, plans and specifications we approved, we may terminate this Agreement for cause, or obtain an injunction from a court of competent jurisdiction against the opening of the Franchised Unit and to compel you to specifically perform your obligation to construct, build-out, remodel, or brand the Franchised Unit or Vehicles in strict conformity with the approved site layout, plans and specifications, in addition to any other remedies available to us at law or in equity, without any obligation to furnish any bond or security. We may also assess a noncompliance fee, set forth in Section 8(l), for your failure to timely conform the Franchised Unit and/or Vehicles to the System Standards. You will bear the expense of all engineering and architectural services incurred for your final construction plans and for obtaining approvals by the appropriate governmental authorities required under applicable law to construct, remodel, use and occupy the Franchised Unit and Vehicles.

(g) **FURNISHINGS, FIXTURES, EQUIPMENT, AND OTHER PERSONAL PROPERTY.**

You will install in and about the Franchised Unit and Vehicles equipment, fixtures, furnishings and other personal property that strictly conform to System Standards, and specifications we specify in the Operations Manual or otherwise, unless we agree to provide those services to you, in which case you shall permit us to do so. You will not display any other sign or advertising at the Franchised Unit or in or on your Vehicles without our consent other than as permitted under the Operations Manual.

(h) **TECHNICAL SERVICES.**

You may engage any architect, construction manager or contractor to assist you in developing the Franchised Unit as long as the party you engage is duly licensed in the state of the Central Office. You shall secure for us and our agents the right to inspect the construction site and related materials stored off site at any reasonable time. You shall correct, upon our request and at your expense, any deviation from the approved site plans and specifications. You shall furnish to us a copy of the certificate of occupancy and a certificate from your architect that the Franchised Unit was built in accordance with the approved final plans and specifications, and in compliance with all applicable building codes and in compliance with all applicable local, state and federal laws, ordinances and regulations, including but not limited to the Americans with Disabilities Act and related regulations.

(i) **OPENING.**

The Franchised Unit shall be opened to the public at the Central Office at the earlier of: 120 days from the Effective Date of the Franchise Agreement, or within 30 days of your completion of Initial Training; only after you receive our authorization to do so, which you must request in writing at least 7 days in advance of the desired date for such opening. In addition to and not in lieu of your other advertising obligations, you will conduct local advertising and promotion for the Franchised Unit's grand opening (the "Market Introduction Plan") described below. You will not open the Franchised Unit without our prior written authorization. We will have the right to withhold that authorization until (i) you complete (to our satisfaction) the construction or remodeling of the Franchised Unit and furnish copies of all governmental approvals required before opening under applicable law, (ii) you have acquired, equipped and wrapped your first Vehicle and we have inspected such Vehicle, either in person or electronically with the information you provide, and determined it satisfies the System Standards, (iii) you complete preparation of the Franchised Unit and Vehicles for the commencement of operations per the Operations Manual, (iv) your

management personnel and unit personnel to be employed on the Opening Date complete the initial training program as required in this Agreement, (v) you furnish copies of permits and licenses for Unit operation; (vi) you deliver to us proof of insurance required under this Agreement, (vii) you have paid or reimbursed us for all amounts due for pre-opening expenses, (viii) you have the required inventory, equipment and supplies for the Unit, and (ix) you are not otherwise in default under this Agreement or any other agreement with us. You will notify us when you open for business.

7. OUR OBLIGATIONS.

During the Term, we will provide you with the following services:

(a) TRAINING.

1. We will provide a training program covering the Franchised System and methods of operating a Franchised Unit (“Initial Training Program”). The Initial Training Program will be conducted in Milford, Ohio, Orlando, Florida, your Central Office, and/or another pre-approved site we select in the United States. The Initial Training Program must be completed by your Owner-Operator and initial General Manager before your Opening Date. We may modify an Opening Date you propose based upon the projected date of successful completion of the Initial Training Program. Other personnel, including your initial sales people, dispatchers, and plumbers who are employed prior to your Opening Date may also attend the Initial Training Program with your Owner-Operator and General Manager. All initial salespeople, plumbers, and dispatchers who do not complete the Initial Training Program prior to the Opening Date must do so within 45 days of hire. Of the employees who successfully complete the Initial Training Program, you must select one in each job position to be a certified trainer to train other employees you hire to fill the same type of position. You must always have a certified trainer on staff for each job position including a certified trainer for managers, salespeople, plumbers, and dispatchers.

2. If you lose a certified trainer and do not have another on staff for that particular job position, you must replace them within 30 days and require the replacement to successfully complete the next available training program offered by us. We charge a tuition fee for a replacement certified trainer to attend training and you must cover all compensation, benefits, travel and living expenses for the trainee.

3. We may provide additional training or retraining of your personnel (“Additional Training”) at your request or if we deem it necessary to do so. We will provide the Additional Training at the times and places and for the duration we may designate. We charge franchisees a reasonable Additional Training Fee plus our trainer’s expenses as described in Section 8(a).

(b) OPERATIONS MANUAL.

We will grant you access electronically to our Operations Manual. Access to our Operations Manual will be limited to authorized-personnel that have signed the Confidentiality Agreement in Attachment G. You may not duplicate the manual and may not provide pass codes to unauthorized personnel.

(c) MATERIALS, SERVICES AND SUPPLIERS.

1. MATERIALS; ALTERNATIVE SUPPLIERS.

We shall reveal our specifications to you and provide you with the list of Materials that you must purchase, use, offer for sale, sell and promote, and maintain in stock at Franchised Unit in quantities needed to efficiently operate the Franchised Unit, including certain branded materials, equipment, furniture, signage and other merchandise. We may designate certain of these disclosures as Confidential Information. You shall have the obligation to purchase certain Materials solely from suppliers selected in our sole discretion of which we give you notice, which

may exclusively be us. If you wish to use an alternative supplier, you must provide us with prior written notice and we must approve, in our sole discretion, the alternative supplier. Along with the notice, you must submit sufficient information, specifications and/or samples for us to determine whether the material or service complies with our System Standards or the supplier meets our approved supplier criteria. To compensate us for our evaluation process, you will reimburse us for the costs of the evaluation or testing, including, but not limited to, wages, travel, and expenses of our employees or designees. This payment is due when you request our approval for a supplier not then on our approved supplier list. You shall not place a new order for any Materials with a supplier after receiving written notice of changes in the Materials' specifications or that our approval of the supplier has been withdrawn or revoked. We may, in our discretion, as frequently as we deem necessary, change the identity, specifications, formulas, inventory requirements and designations, and add new materials and delete existing materials, from the items that we designate as Materials. You shall conform to all changes immediately upon written notice from us unless our written notice specifies a later implementation date.

2. SUPPLIER LISTS & CHANGES.

We will publish a list of approved suppliers and their respective Materials in the Operations Manual and/or in other written or electronic communications to you. As new suppliers, materials and services become available, we will amend that list. We may also publish in the Operations Manual the procedures and fees for obtaining approval of any supplier you wish to nominate to become an approved supplier. We may deny approval of any nominee in our sole discretion.

3. SUPPLY BENEFITS.

We or an Affiliate may be the sole approved suppliers for Materials, or for other goods and services we deem to be integral parts of the Franchised System that must be supplied on a consistent, uniform basis to all franchisees. We or our Affiliates may earn a profit from providing purchasing and procurement services, including receipt of fees from third party suppliers.

(d) STAFFING ASSISTANCE.

We will provide you staffing standards for the required dress and appearance of your employees, which you and your employees must follow. We will provide suggestions for staffing models and job descriptions that you are free to follow or not in your discretion.

(e) OPENING ASSISTANCE.

We will provide you with the services of one or more trainers for a period of up to five days to assist you with the opening of the Franchised Unit at no fee to you. Subject to availability, we will provide the trainer services for additional days to continue to assist you with the opening of the Franchised Unit at a per diem charge per trainer that we establish, which will be no more than the Additional Training Fee described in Section 8(a) then in effect.

(f) CALL ROUTING; WEBSITE.

We will operate a call routing system for fulfilling requests to provide Plumbing Services. All clients will call our toll-free phone number or interact with our web site, and we will forward the customer to you for Plumbing Services if the zip code for the service location is within your Operating Area. If the Plumbing Services are to be performed in a zip code that is not in your Operating Area or are not in the Operating Area of a franchisee, we will assign the Plumbing Services, in our sole discretion, to a franchisee whom we deem capable to perform the Plumbing Services.

(g) MARKETING ASSISTANCE.

We will provide you with the merchandising, marketing and advertising research data and advice that we develop from time to time and deem helpful in the operation of a Unit using the Franchised System. We

may establish minimum and maximum prices for products and services, engage in limited time offers affecting the price or quantity of products offered at the Unit, and establish unilateral policies on minimum and maximum advertised prices of Unit products and services.

(h) **EVALUATION PROGRAM.**

We will conduct periodic field evaluations and standards assessment inspections and reviews of the Franchised Unit to test and promote its compliance with System Standards and quality control. We may implement customer evaluation and feedback programs, mystery Unit per programs, and independent inspection programs. We may publish the results of our tests and evaluations.

(i) **ADVICE & COMMUNICATIONS.**

We will provide you with periodic individual or group advice, consultation and assistance by personal visit, by telephone, electronic communication, or by newsletters or bulletins that we may make available to our franchisees from time to time. We will provide you with any other materials in any medium that we may develop to communicate new developments, techniques, and improvements in the Franchised System and our plans, policies, research, developments and activities to franchisees.

(j) **CUSTOMER COMPLAINTS.**

You will provide customers with the ability to send comments and complaints to us. Upon receipt of any consumer comments, we will send to the customer an automatic response as determined by legal counsel. We will review all customer comments internally. With limited exception all complaints received will be immediately forwarded to franchisees for their review. As independent business owners, you will be required by our System Standards to communicate with the customer and independently resolve all customer complaints.

(k) **OTHER ASSISTANCE.**

We will provide you with the other resources and assistance that we may develop and make generally available to all of our other franchisees.

8. **YOUR OBLIGATIONS.**

During the Term, your obligations are as follows:

(a) **TRAINING.**

1. You will not open the Franchised Unit until your Owner Operator and initial General Manager have completed our Initial Training Program. Other personnel, including your initial sales people, dispatchers, and plumbers who are employed prior to your Opening Date may also attend the Initial Training Program with your Owner-Operator and General Manager. All initial salespeople, plumbers, and dispatchers who do not complete the Initial Training Program prior to the Opening Date must do so within 45 days of hire. Of the employees who successfully complete the Initial Training Program, you must select one in each job position to be a certified trainer to train other employees you hire to fill the same type of position. You must always have a certified trainer on staff for each job position including a certified trainer for managers, salespeople, plumbers, and dispatchers. You are responsible for paying all compensation, benefits, travel expenses, living expenses, and any other personal expenses for you and your initial personnel to attend the Initial Training Program.

2. If you lose a Certified Trainer and do not have another on staff for a particular job position, you must replace them within 30 days and require the replacement to successfully complete the next available training program offered by us, if they have not already done so. We charge a tuition fee for a replacement to attend the training program, which is currently

\$2,500 per trainee, and you must cover all compensation, benefits, travel and living expenses for the trainee

3. If you request or we require you to complete Additional Training beyond the Initial Training Program, we may charge an “Additional Training Fee”, which is currently Five Hundred Dollars (\$500.00) per day, per trainer, plus the trainers’ travel, lodging, and meal expenses for additional training and support. The Operations Manual specifies the basis on which we will determine the daily charge.

4. We reserve the right to change the amount that we charge for our training programs at any time. You must provide us with proof of worker’s compensation insurance coverage for your trainees before their training begins. Your trainees will not be considered borrowed servants of ours or our Affiliates for any purpose, and they will at all times remain under your control and supervision. Any of your management employees who attend our Initial Training Program must sign a Management Confidentiality and Non-Competition Agreement before such training starts in substantially the form attached as Attachment D.

(b) **OPERATION OF FRANCHISED UNIT.**

1. You will maintain and operate the Franchised Unit under the Franchised System in strict conformity with System Standards and policies, all as amended. You will maintain the Central Office and the Franchised Unit in clean, safe and sanitary condition, consistent with sound health and sanitation practices. You will use and comply with the System Standards for customer service and satisfaction, which may include money back guarantees and no-question refunds.

2. You will use the site of the Franchised Unit exclusively for the purpose of operating a Unit. You will not engage in any business or offer any Plumbing Services or services at the Franchised Unit not a part of the Franchised System, without first obtaining our written consent. We may withdraw such consent in our sole discretion. All Plumbing Services, Materials, and other goods and services you offer, and sell shall be of the highest quality. You shall not use or sell any Materials or Plumbing Services that are unsafe. You will offer and sell all Plumbing Services, ancillary Materials and services we designate in the Operations Manual as mandatory, and you may sell products and services we designate in the Operations Manual as optional at your discretion. You set the service prices, terms and conditions of sale subject to our established maximum and minimum prices where permitted by law, and any limited time mandatory offers we establish to market products and services.

3. You understand and agree that the Franchised System may include, in our sole discretion, requirements concerning organization, graphics, use of brand names and other product descriptions, illustrations and other design and content features. We may implement changes in (among other things) for Plumbing Services, Materials, and other goods and services at selected 1-Tom-Plumber Units or within selected regions, all in our sole discretion. We may, from time to time, authorize any franchisee to test new product items, methods, goods or other services and you agree to cooperate in any test marketing programs in compliance with our guidelines, without reimbursement or compensation of any kind beyond your retention of your related Gross Sales, net of the Royalty Fee.

4. If a client contacts you directly about performing Plumbing Services within your Operating Area or in a geographical area which is not part of another 1-Tom-Plumber franchisee’s operating area, you may perform the work and report on the Plumbing Services as we require in the Operations Manual. If you receive a request for Plumbing Services to be performed at a service location in the operating area of another franchisee or our Affiliate, you must report the

request to us when you receive it and we will pass the opportunity along to the neighboring franchisee or applicable Affiliate.

5. You shall, at your sole expense, conform to all changes implemented by us to Franchised System immediately upon written notice from us unless our written notice specifies a later implementation date. You shall not offer for sale or sell any other kind of materials, products, merchandise or services, or otherwise deviate from our current System Standards or specifications for services, materials, products or merchandise, except with our prior written consent.

6. You shall conform to our prescribed inventory control procedures, including, without limitation, using prescribed proprietary systems to document inventory sold, remaining inventory levels and other information pertinent to inventory and restocking. Such information shall be conveyed to us electronically and, upon request, in writing.

7. You shall operate the Franchised Unit on all of the days and during the hours prescribed in the Operations Manual, unless you obtain our written approval of different days or hours or your Lease provides for different hours of operation. Before the Opening Date, you shall advise us about operating hours required or limited by the Lease. You shall prominently disclose the operating hours to the public in the manner required by the Operations Manual. You shall open the Franchised Unit and be fully prepared to conduct business during all posted operating hours.

8. You will maintain and operate the Franchised Unit in compliance with all applicable governmental laws, rules, regulations and ordinances. Any conflict between System Standards and any applicable governmental requirement will be resolved in favor of the more stringent standard. You will obtain as and when needed all governmental permits, licenses and consents required by law to construct, acquire, renovate, operate and maintain the Franchised Unit and to offer all products and services you advertise or promote. You will pay when due or properly contest all federal, state and local payroll, withholding, unemployment, beverage, permit, license, property, ad valorem and other taxes, assessments, fees, charges, penalties and interest, and will file when due all governmental returns, notices and other filings. You will comply with all applicable federal, state and local laws, regulations and orders applicable to you and/or the Franchised Unit, including those combating terrorism such as the USA Patriot Act and Executive Order 13224.

(c) **APPROVED MATERIALS, SERVICES AND SUPPLIERS.**

You will follow the System Standards and specifications we establish for Materials, and other goods, products and services procured for and in the operation of the Franchised Unit. Before use, all branded materials and products must be approved by us. We will have the right to require you to obtain any Materials, product or service used in the operation of the Franchised Unit from us, our Affiliates, or suppliers we approve. We reserve the right to require you to participate in a national or regional approved purchasing cooperative for the area in which the Franchised Unit operates. You acknowledge that this agreement allows the System to maintain uniformity and consistency in Franchised Unit products, services, technology, support and management information systems. We may discontinue or terminate the System requirement to use these vendors and allow such agreements to expire without succession or be terminated consistent with their respective terms, at our discretion. You are required to purchase and use our “calling card” pink plungers from our designated supplier in the minimum quantities that we designate in the Operations Manual.

(d) **TELEPHONE LISTINGS, DOMAIN NAMES, AND WEB PAGES.**

You will not establish or maintain a published telephone listing for the Franchised Unit in all telephone books that we designate. You will not register, acquire or maintain control over any domain name or web

page that describes or advertises the Franchised Unit or otherwise contains uses or displays our Proprietary Marks or Intellectual Property, or links to our websites, without our prior consent.

(e) **FRANCHISED UNIT CONDITION.**

If the Franchised Unit suffers physical damage, you will restore the Franchised Unit to reflect the then current image, design and specifications of a Unit. If a casualty substantially destroys the Franchised Unit and your Lease terminates or you are permitted to terminate the Lease, you may elect to terminate this Agreement when you terminate the Lease in lieu of restoring the Franchised Unit unless your financing obligates you to restore and operate the Franchised Unit.

(f) **VEHICLE CONDITION.**

If your Vehicles suffer physical damage, you will restore the Vehicles to reflect the then current image, design and specifications of a 1-Tom-Plumber vehicle.

(g) **UPGRADES OF FRANCHISED UNIT OR VEHICLE.**

We may require you to upgrade your Franchised Unit or Vehicles to conform to changes in our System Standards, which may include new signage, image, décor, equipment, technology and image standards for new 1-Tom-Plumber Units or Vehicles. We will not require any such upgrade within 2 years before the expiration date of the Initial Term or the Successor Term. At the end of the fifth year of the Initial Term, the Initial Term, and each Successor Term, you must upgrade your Unit and/or Vehicles to our current entry standards and design elements, complete any retraining we require, upgrade to our current equipment package and install our current operating software and other equipment. We may encourage you at any time to make a voluntary upgrade because of economic circumstances, competition, technological advances, brand imaging opportunities, or other compelling events or circumstances. Your voluntary agreement to perform an upgrade in those cases will not constitute the required upgrade under this paragraph.

(h) **YOUR EMPLOYEES.**

You must recruit, hire, train, schedule, equip, dress, discipline, manage and supervise a competent, conscientious staff to meet our System Standards, compliant with such uniforms and/or dress code as we may prescribe in the Operations Manual, and take such steps as are necessary to ensure that your employees preserve good customer relations and the goodwill of the Franchised System. Franchisee must employ a General Manager, two plumbers, and a salesperson prior to the Opening Date, and a dispatcher within ninety (90) days thereafter. In the event of a vacancy in any of these roles, Franchisee shall promptly recruit and fill the position within a commercially reasonable timeframe, not to exceed 60 days.

(i) **LIFE SAFETY.**

You must operate and maintain the Franchised Unit and Vehicles to meet the health and life safety standards and ratings applicable to the operation. You must furnish to us, within five days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates and/or ratings resulting from inspections conducted by any federal, state or municipal agency with jurisdiction over the Franchised Unit. The Franchised Unit's or Vehicle's failure of any health, sanitation, life safety inspection is a material breach of this Agreement and must be remedied within the time frame specified in the applicable regulations or code.

(j) **MATERIAL CONTRACTS.**

You must timely comply with your payment and performance obligations under the Lease and any note, indebtedness, mortgage, deed of trust, security deed, equipment lease, supply agreement for Products, utility contract, service agreement and other material contracts ("Material Contracts") applicable to you or the Franchised Unit and necessary to operate the Franchised Unit in compliance with System Standards. You shall furnish to us, within 10 days after your receipt, a copy of all notices, letters, warnings, or any other communications from the counterparty of any Material Contract regarding any default under or termination of any Material Contract. You must furnish a copy of any amendment, modification, replacement or supplement to the Lease.

(k) **COMPLIANCE WITH LAWS & REGULATIONS.**

You must operate the Unit in compliance with applicable laws and regulations. We will provide instructions on compliance with laws applicable to Plumbing Services in the Operations Manual. If you obtain competent advice that you must effect compliance in a manner that differs from our instructions, or local laws require that you deviate from the instructions, then you are free to do so and you will not be in violation of this Agreement.

(l) **CORRECTION OF DEFICIENCIES.**

If you fail to conform your operations to the System Standards, including, but not limited to, failing to open by the Opening Date on Attachment A; use our approved suppliers or otherwise obtain our approval for Materials, Vehicles, or other equipment bearing the Marks; comply with the System Standards; or timely submit your employees for training, we shall notify you, and you will have a period of time to be determined by us to correct your operations, except that we may take immediate action if we believe it necessary for the goodwill of the System or to protect public health and safety. If you fail to fully correct your operations as required by us in the notice provided (if applicable) we may, but will not be obligated to, take such corrective action we determine is necessary and appropriate to conform your operations to the System Standards. Such corrective action shall include, without limitation: 1) entering the Franchised Business and performing the necessary corrections, whereupon you will pay to the us an amount equal to 125% of all expenses we incur, including, without limitation, the actual wages, wage-related expenses, travel and lodging expenses, supplies and all other expenses; 2) charging you a daily fine for each day the deficiencies remain uncorrected after the cure period, if applicable; and 3) charging you a one time fine. The nature and amount of the fine will depend upon the severity of the deficiency or violation and will be provided in our Operations Manual. You will make payment in accordance with Section 5(l). These corrective actions shall be in addition to our other rights and remedies under this Agreement.

(m) **MEETINGS AND CONVENTIONS.**

We may conduct meetings and annual conventions to promote and support franchisees, provide information on the 1-Tom-Plumber brand and matters of mutual interest to Unit franchisees and managers, and provide mandatory and optional training to Owners, Operating Principals and General Managers. We may charge you a Convention Registration Fee for one or more attendees in terms of the amount specified herein, which is payable when invoiced and not refundable, even if you or your representative does not attend the convention. We may charge additional fees and tuition for additional attendees you are required to, or for whom you have the option to send to the event.

(n) **NO OUTSOURCING, SUBCONTRACTING.**

You shall not hire third party or outside vendors or contractors other than our Affiliates to perform any services or obligations related to the Plumbing Services.

9. **TECHNOLOGY, COMMUNICATIONS AND INTERNET.**

(a) **COMPUTER SYSTEMS AND REQUIRED SOFTWARE.**

We have the right to specify in the Operations Manual or otherwise in writing that you acquire and use in the operation of the Franchised Unit electronic data collection, storage, reporting, exchange and interchange capability and services, including certain brands, types, makes and models of communications, hardware and software systems, peripherals and equipment, including without limitation: (i) back office accounting, inventory and management systems, (ii) storage, retrieval and transmission systems for data, audio, video and voice files, (iii) point of sale systems or such other types of cash registers as we may designate or approve ("Cash Register Systems"), (iv) physical, electronic and other security systems and procedures, (v) archival back-up systems, (vi) internet access capability and connectivity, and (vii) customer-facing marketing, ordering, entertainment, audio, video, internet access points and service systems (together, the "Technology"). We have the right, but not the obligation, to develop or have developed for us, or to

designate computer software programs and accounting system software that you must use as part of the Technology (“Required Software”). You shall install, learn, use and integrate all updates, supplements, modifications or enhancements to the Required Software when we so require. We may specify in the Operations Manual or otherwise the tangible media upon which you shall record data, the database file structure of the Technology and the requirements to ensure your compliance with legal and payment card industry security standards. You must enter all transactions at the Franchised Unit on the Cash Register System as and when they occur. You shall implement and periodically make upgrades and other changes to the Technology as we request in writing (together, “Technology Upgrades”) for all Franchised System Units. We may be the sole supplier of proprietary Technology or Technology Upgrades that we develop or acquire for use at all Franchised Units. We may require you and your personnel to use franchisor-designated email accounts or communication platforms for all Franchised Business communications. You must use only such accounts for business communications and must provide us with access to such accounts upon request.

(b) **DATA.**

We may specify in the Operations Manual or otherwise in writing the information that you shall collect and maintain on the Technology. You will maintain your Cash Register System and management systems on-line so that we may access them remotely at our discretion, copy stored data, update software, and view all records, files and reports available on or from those systems. You shall not purge data unless so permitted under the Operations Manual. You shall provide us such reports as we may reasonably request from the data so collected and maintained. All data you provide to us, transfer to us from your Technology and download from us to your Technology will be owned exclusively by us or the data source we identify. We will have the right to use such data in any manner that we deem appropriate without compensation to you. All other data you capture, create or collect in the operation of the Franchised Unit or from your affiliation with us (including, without limitation, consumer data, customer lists, customer databases, prospect lists, lead lists, transaction data, and any compilations or derivatives thereof), is and will be owned exclusively by us during the Term of, and following termination or expiration of, this Agreement. You must provide to us in the format we require copies or original files of such data at our request. We license the use of such data back to you, at no additional cost, solely for the Term and solely for your lawful use in the business franchised under this Agreement or in any other business that you own. You may not lease, sell or rent such data to others. You must provide us with access to all email accounts and communication platforms used in connection with the Franchised Business.

(c) **PRIVACY & SECURITY.**

You shall abide by all applicable laws and payment card industry standards pertaining to the privacy and security of consumer, employee and transactional information (“Privacy Laws”). You shall comply with our System Standards and policies pertaining to Privacy Laws. If there is a conflict between our System Standards and policies pertaining to Privacy Laws and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel to determine the most effective way, if any, to meet our System Standards and policies pertaining to Privacy Laws within the bounds of applicable law. You shall not publish, disseminate, implement, revise or rescind a data privacy policy without our prior written consent. You shall encrypt personally identifiable information about customers and employees as required by Privacy Laws or the Operations Manual and follow all notification requirements, with a copy of all of your outbound notices to us, if any data breach, hack or unauthorized access event occurs. You and your personnel must participate in any cybersecurity, data protection, or system security training programs that we require. You must maintain commercially reasonable technical safeguards, including antivirus protection, endpoint security, password protocols, and encryption where required by law or our System Standards.

(d) **EXTRANET.**

We may, but are not required to, establish a dedicated Website with secure access for communication with and among franchisees and to offer information content relevant to operation of the Franchised Unit (the “Extranet”). If we establish an Extranet, then you shall comply with our requirements set forth in the Operations Manual or otherwise in writing for connecting to the Extranet and utilizing the Extranet in the operation of the Franchised Unit. The Extranet may include, without limitation, and if so, will satisfy our obligations under this Agreement to provide to you, the Operation Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall pay any fee imposed from time to time by us, or a third-party service provider, in connection with hosting such Extranet, as set forth in the Operations Manual.

(e) **WEBSITES.**

We may create, maintain, modify, or remove webpages or other online profiles relating to your Franchised Business on websites or platforms controlled by us or our affiliates. Unless we otherwise approve in writing, you shall not establish a separate Website (the term “Website” is defined to mean a group of related documents that can be accessed through a common internet address) but shall only have one or more references or webpage(s), as we designate and approve in advance, within our Website. However, you may request to establish a separate Website and shall submit to us with your request, for our prior written approval, a sample of the proposed Website domain name, format, visible content (including, without limitation, proposed screen shots) and non-visible content (including, without limitation, meta tags) in the form and manner we may reasonably require. You may activate the Website only if we approve it in advance in writing (which we are not obligated to approve and which approval we have the right to revoke at any time), in which case then the following conditions shall apply:

1. Any Website owned or maintained by or for your benefit shall be deemed “advertising” under this Agreement, and will be subject to (among other things) our approval of content and appearance under Section 0.
2. You may not add inbound or outbound hyperlinks to or from or modify the Website without our prior written approval as to such proposed hyperlinks or modification.
3. You shall comply with System Standards for Websites that we may prescribe in the Operations Manual or otherwise in writing.
4. You will establish such hyperlinks to our Website and others as we may request in writing.
5. You will not permit the entry, acceptance or confirmation of delivery or orders on the Website that would violate Section 0.

(f) **Online Use of Marks and E-mail Solicitations.**

You shall not use the Proprietary Marks or any abbreviation or other name associated with the Franchised System or us as part of any e-mail address, domain name and/or other identification of you or your Owners in any electronic medium. You will not transmit or cause any other party to transmit on your behalf advertisements or solicitations by e-mail or other electronic media without first obtaining our written consent as to: (a) the content of such e-mail advertisements or solicitations and (b) your plan for transmitting such advertisements. You shall be solely responsible for compliance with any laws pertaining to sending e-mails including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, as amended (known as the “CAN-SPAM Act of 2003”). Under no circumstances shall you send any e-mail to a Person or address outside the United States.

(g) **INTERNET & SOCIAL MEDIA USE.**

We reserve the right to establish, modify, and terminate policies and procedures regarding Internet marketing, publicity, social media, blogging, and other online activity as part of the System Standards included in the Operations Manual. You shall not register, purchase, or obtain the right to control any domain name, website, or other online content that includes any Proprietary Mark except as authorized under our marketing program then in effect or with our prior written consent. You may generate, post, modify, and withdraw content on social media accounts associated with the Franchised Unit only in compliance with our marketing programs, System Standards, and social media policies as we may establish from time to time. We reserve the right, in our sole discretion, to require the modification or removal of any content and to suspend or revoke your ability to post content if we determine that such content does not comply with our standards. We reserve the right to establish policies and to control your access to social media accounts related to the Franchised Unit, including without limitation the right to hold administrative privileges and rights for password and access control and to post and remove content on such accounts. All social media accounts used in connection with the Franchised Unit or the Franchised System shall be deemed part of the Franchised System and subject to our control. We may deny, suspend, or revoke your access to such accounts if you are in default under this Agreement or you violate our System Standards regarding social media content and use. Under no circumstances shall you use social media accounts associated with the Franchised Unit to defame or disparage us, any of our Affiliates, any other franchisee or their Affiliates, any supplier, or any customer or patron of your Franchised Unit, or engage in any publication or activity that is unlawful or detrimental to the goodwill of the Proprietary Marks, the 1-Tom-Plumber brand, or the Franchised System. You must claim, maintain, update, and pay for all online directory listings, business profiles, and digital location listings (including, without limitation, Google, Yelp, Apple Maps, and similar services) as we may designate in the Operations Manual or otherwise in writing.

(h) **PROHIBITIONS.**

You are prohibited from using the Proprietary Marks, including “1-Tom-Plumber” to: (i) incur any obligation or indebtedness on behalf of yourself or us; and (ii) be all or part of your entity name or other legal name, or as part of any e-mail or other electronic media address, domain name, URL, social media identifier, user name or other identification of you or your Owners in any electronic medium, or as a metatag, paid search term, or in any search engine optimization program, except as we expressly authorize in writing, in the Operations Manual or in any policy we issue regarding Internet advertising, marketing, social media, email and other on-line activity. You are also prohibited from engaging in any "gray market" transactions in which you buy from or sell to any Person outside the United States without our prior written consent. You are also prohibited from engaging in any transaction in which you know, or reasonably should know, that the products sold by you or the Unit are purchased for wholesale purposes or are intended for resale to consumers inside or outside the United States.

(i) **NO OUTSOURCING WITHOUT PRIOR WRITTEN APPROVAL.**

You shall not hire third party or outside vendors other than our Affiliates to perform any services or obligations related to the Technology, Required Software, or any other of your obligations under this Section, without our prior written approval. We may condition our consideration of any proposed outsourcing vendor(s) upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form we provide.

(j) **CHANGES TO TECHNOLOGY.**

The parties acknowledge that technology used in the Unit business is dynamic and not subject to predictable patterns of development and change. To keep pace with technological needs and opportunities and to support the competitiveness of the Franchised System, you acknowledge that we shall have the right to establish, in writing, new and revised System Standards for the implementation of technology as part of the

System. You shall abide by those new or revised System Standards as promulgated by us for implementation in all Franchised System Units.

10. **E-MAIL COMMUNICATION.**

YOU ACKNOWLEDGE THAT WE ARE ENTITLED TO RELY UPON E-MAIL TO COMMUNICATE WITH YOU AS PART OF THE ECONOMIC BARGAIN UNDERLYING THIS AGREEMENT. TO FACILITATE THE USE OF E-MAIL TO EXCHANGE INFORMATION BETWEEN YOU AND US, YOU WILL MAINTAIN E-MAIL CAPABILITIES AS SPECIFIED IN THE OPERATIONS MANUAL. YOU AUTHORIZE THE TRANSMISSION OF E-MAIL FROM AND TO US, VENDORS AND OUR AFFILIATES ON MATTERS PERTAINING TO THE BUSINESS CONTEMPLATED UNDER THIS AGREEMENT. YOU WILL PROVIDE US WITH THE CURRENT E-MAIL ADDRESS AND SHALL IMMEDIATELY NOTIFY US OF ANY CHANGE OF E-MAIL ADDRESS AND ANY TECHNICAL PROBLEMS WITH THE E-MAIL ACCOUNT OF YOU AND YOUR OWNERS THAT WOULD MAKE COMMUNICATIONS DELAYED OR IMPOSSIBLE. IF ANY SUCH E-MAIL ACCOUNT BECOMES DISABLED FOR ANY REASON, YOU SHALL IMMEDIATELY PROVIDE US WITH AN ALTERNATIVE E-MAIL ADDRESS. YOU WILL CAUSE YOUR OFFICERS, DIRECTORS, MEMBERS AND EMPLOYEES (AS A CONDITION OF THEIR ASSOCIATION OR POSITION WITH YOU) TO GIVE THEIR CONSENT (IN AN E-MAIL, ELECTRONICALLY, OR IN A PEN-AND-PAPER WRITING, AS WE MAY REASONABLY REQUIRE) TO TRANSMISSION OF OUR E-MAILS TO THEM, AND SUCH PERSONS SHALL NOT OPT-OUT, OR OTHERWISE ASK TO NO LONGER RECEIVE E-MAILS FROM US DURING THE TIME THAT SUCH PERSON WORKS FOR OR IS AFFILIATED WITH YOU. YOU ACKNOWLEDGE THAT IF YOU OPT-OUT, OR OTHERWISE ASK TO NO LONGER RECEIVE E-MAILS FROM US DURING THE TERM YOU WILL BE IN MATERIAL BREACH OF THIS AGREEMENT.

11. **COVENANTS NOT TO COMPETE.**

YOU AND YOUR OWNERS ACKNOWLEDGE THAT THE NATURE OF THE PLUMBING SERVICES BUSINESS PERMITS A LICENSED PLUMBER TO PROVIDE THEM TO BUSINESS AND RESIDENTIAL CUSTOMERS IN A LARGE GEOGRAPHIC AREA FROM A SINGLE CENTRAL OFFICE. DURING THE TERM, YOU AND YOUR OWNERS MAY NOT ENGAGE, EITHER DIRECTLY OR INDIRECTLY THROUGH ANY FINANCIAL OR BENEFICIAL INTEREST IN ANY OTHER PERSON, IN ANY COMPETING BUSINESS, OTHER THAN A UNIT LICENSED BY US. FOR A PERIOD OF TWO YEARS AFTER THE TERMINATION OR EXPIRATION OF THIS AGREEMENT FOR ANY REASON, YOU AND YOUR OWNERS MAY NOT ENGAGE IN ANY COMPETING BUSINESS, OTHER THAN A UNIT LICENSED BY US, WITHIN YOUR OPERATING AREA OR WITHIN 50 MILES FROM THE NEAREST POINT OF YOUR OPERATING AREA, OR WITHIN ANY FRANCHISEE'S OPERATING AREA EXISTING OR THEN BEING DEVELOPED AT THE TIME OF TERMINATION, AS THEN LISTED ON OUR WEBSITE, AVAILABLE FROM US IN WRITING OR IN THE MANUAL, OR ANY DIRECTORY WE PROVIDE TO YOU. WE MAY REDUCE THE DURATION AND/OR GEOGRAPHIC SCOPE OF THIS PROVISION BY WRITTEN NOTICE TO YOU FOR APPLICABLE LAW. YOU WILL NOT EMPLOY OR SEEK TO EMPLOY ANY INDIVIDUAL WHO, AT THE TIME, CURRENTLY WORKS OR WORKED DURING THE PRECEDING THREE MONTHS FOR ANY OF OUR OTHER LICENSEES OR FRANCHISEES OR FOR US, EXCEPT WITH THE CONSENT OF THE AFFECTED LICENSEE OR FRANCHISEE OR WITH OUR CONSENT (AS APPLICABLE). WE WILL NOT EMPLOY OR SEEK TO EMPLOY ANY INDIVIDUAL WHO, AT THE TIME, CURRENTLY WORKS OR WORKED DURING THE PAST THREE MONTHS FOR YOU, EXCEPT WITH YOUR CONSENT.

12. **CONFIDENTIAL INFORMATION.**

YOU AND YOUR OWNERS ACKNOWLEDGE YOU HAVE NO INTEREST WHATSOEVER IN THE FRANCHISED SYSTEM EXCEPT THE LICENSE IN THIS AGREEMENT. YOU AND YOUR OWNERS ACKNOWLEDGE THAT THE FRANCHISED SYSTEM CONSTITUTES OUR PROPRIETARY INFORMATION INCLUDING SOME CONFIDENTIAL INFORMATION AND THAT THE USE OR DUPLICATION OF THE FRANCHISED SYSTEM OTHER THAN AS PERMITTED UNDER THIS AGREEMENT WILL CONSTITUTE AN UNFAIR METHOD OF COMPETITION. YOU AND YOUR OWNERS WILL NOT USE THE FRANCHISED SYSTEM IN ANY BUSINESS OR ANY CAPACITY FOR THE BENEFIT OF ANY PERSON EXCEPT AS PERMITTED UNDER THIS AGREEMENT OR ANOTHER WRITTEN AGREEMENT WITH US. YOU WILL TAKE ALL APPROPRIATE ACTIONS TO PRESERVE THE CONFIDENTIALITY OF ALL CONFIDENTIAL INFORMATION. ACCESS TO CONFIDENTIAL INFORMATION SHOULD BE LIMITED TO PERSONS WHO NEED THE CONFIDENTIAL INFORMATION TO PERFORM THEIR JOBS AND ARE SUBJECT TO YOUR GENERAL POLICY ON MAINTAINING CONFIDENTIALITY AS A CONDITION OF EMPLOYMENT OR WHO HAVE FIRST SIGNED A CONFIDENTIALITY AGREEMENT IN THE FORM ATTACHED TO THIS AGREEMENT, INCLUDED IN THE OPERATIONS MANUAL OR OTHERWISE ACCEPTABLE TO US. YOU AND YOUR OWNERS WILL NOT PERMIT COPYING OF CONFIDENTIAL INFORMATION (INCLUDING, AS TO COMPUTER SOFTWARE, ANY TRANSLATION, DECOMPILING, DECODING, MODIFICATION OR OTHER ALTERATION OF THE SOURCE CODE OF SUCH SOFTWARE). YOU AND YOUR OWNERS WILL USE CONFIDENTIAL INFORMATION ONLY FOR THE UNIT AND TO PERFORM UNDER THIS AGREEMENT. UPON TERMINATION (OR EARLIER, AS WE MAY REQUEST), YOU AND YOUR OWNERS SHALL RETURN TO US ALL ORIGINALS AND COPIES OF THE OPERATIONS MANUAL, POLICY STATEMENTS AND CONFIDENTIAL INFORMATION "FIXED IN ANY TANGIBLE MEDIUM OF EXPRESSION," WITHIN THE MEANING OF THE U.S. COPYRIGHT ACT, AS AMENDED. YOUR AND YOUR OWNERS' OBLIGATIONS UNDER THIS SUBSECTION COMMENCE WHEN YOU SIGN THIS AGREEMENT AND CONTINUE FOR TRADE SECRETS (INCLUDING COMPUTER SOFTWARE WE LICENSE TO YOU) AS LONG AS THEY REMAIN SECRET AND FOR OTHER CONFIDENTIAL INFORMATION, FOR AS LONG AS WE CONTINUE TO USE THE INFORMATION IN CONFIDENCE, EVEN IF EDITED OR REVISED, PLUS THREE YEARS. WE WILL RESPOND PROMPTLY AND IN GOOD FAITH TO YOUR INQUIRY ABOUT CONTINUED PROTECTION OF ANY CONFIDENTIAL INFORMATION.

13. **FRANCHISED SYSTEM MANAGEMENT.**

(a) **OWNERSHIP.**

We represent with respect to the Proprietary Marks that we, or one of our Affiliates, is the owner of all rights, title and interests in and to the Proprietary Marks. We and our Affiliates have taken and will take all steps reasonably necessary to preserve and protect the ownership and validity in and of the Proprietary Marks.

(b) **DISPLAY OF MARKS.**

Your use and display of the Proprietary Marks will be subject to the following: (i) You shall use only the Proprietary Marks we designate, and use such Proprietary Marks only in the manner we authorize and permit; (ii) you shall use the Proprietary Marks only for the operation of the Franchised Unit at the Central Office authorized under this Agreement and Vehicles, or in advertising for the Franchised Unit; (iii) unless we otherwise authorize or require, you shall operate and advertise the Unit only under the name "1-Tom-Plumber," without prefix or suffix; (iv) during the Term, you shall identify yourself (in a manner reasonably acceptable to us) as the owner of the Franchised Unit when you make any use of the Proprietary Marks,

including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the Vehicles and premises of the Central Office as we may designate in writing; (v) your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement and the Operations Manual, and any unauthorized use thereof shall constitute an infringement of the rights of the owner of the Proprietary Marks; and (vi) you shall execute any documents deemed necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

(c) **INFRINGEMENTS.**

You shall promptly notify us of any suspected infringement of the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to our ownership of, or your right to use, the Proprietary Marks we license to you. You acknowledge that we shall have the sole right to direct and control any civil, administrative or other proceeding involving the Proprietary Marks, including any settlement. We shall also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. If we undertake the defense or prosecution of any litigation relating to the Proprietary Marks, you shall execute any and all documents and do such acts and things as may, in the opinion of our counsel, be necessary to carry out such defense or prosecution, including, without limitation, becoming a nominal party to any legal action.

(d) **OUR DEFENSE OF YOU.**

If you use the Proprietary Marks in compliance with this Agreement, we will defend you at our expense against any third party claim, suit or demand involving the Proprietary Marks arising out of your proper use thereof. We will reimburse you for your out-of-pocket costs in doing what we request under this Section, excluding the compensation costs of your employees, and we will pay the costs of any judgment or settlement. If such litigation is the result of your use of the Proprietary Marks in a manner not in compliance with this Agreement, you shall reimburse us for the costs of such litigation, including, without limitation, our attorney's fees and the cost of any judgment or settlement.

(e) **RESERVATION OF PROPERTY RIGHTS.**

You expressly understand and acknowledge that: (i) we and our Affiliates are the owners of all rights, title and interests in and to the Proprietary Marks and the goodwill associated with and symbolized by them; (ii) the Proprietary Marks are valid and serve to identify the Franchised System and those who are authorized to operate under the Franchised System; (iii) neither you nor any of your Owners shall directly or indirectly contest the validity or the ownership of the Proprietary Marks, nor shall you, directly or indirectly, seek to register the Proprietary Marks with any government agency, except with our express prior written consent; (iv) your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement; (v) any and all goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license granted under this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Proprietary Marks; and (vi) the right and license of the Proprietary Marks granted to you is not exclusive, and we have and retain the rights, among others:

1. To use the Proprietary Marks ourselves to offer and sell products and services;
2. To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and
3. To develop and establish, or to become affiliated with, other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to you.

(f) **SUBSTITUTE MARKS.**

We reserve the right to substitute different Proprietary Marks for use in identifying the Franchised System and the Unit businesses operating thereunder if our currently owned Proprietary Marks no longer can be used, or if we determine that substitution of different Proprietary Marks will be beneficial to the Franchised System.

(g) **CONTROL OF FRANCHISED SYSTEM.**

We will control and establish requirements for all aspects of the System. We may, in our discretion, change, delete from or add to the Franchised System, including any of the Proprietary Marks or System Standards, in response to changing market conditions. We may, in our discretion, permit deviations from System Standards, based on local conditions and our assessment of the circumstances.

(h) **IMPROVEMENTS.**

All present and future distinguishing characteristics, improvements and additions to or associated with the Franchised System by us, you or others, including, without limitation, all new and improved methods, product or service instructions, and preparation instructions for Plumbing Services, ingredients, new Plumbing Services and the like, and all present and future service marks, trademarks, copyrights, patents, and service mark and trademark registrations used and to be used as part of the Franchised System, and the associated goodwill, shall be our property and will inure to our benefit. You acknowledge that System Standards include non-functional trade dress that is an integral part of the System, and you covenant that you will not, directly or indirectly through an Affiliate, use the trade dress in any structure that is not the Franchised Unit. You also acknowledge that such Intellectual Property includes any product or service instructions, ideas, inventions, concepts, instructions, techniques of manufacture, preparation, display or service, or other know-how developed, marketed, or licensed as part of the Franchised System, whether created by us, an Affiliate, a predecessor, licensor or by you with our approval as outlined in the Operations Manual. You grant to us a non-exclusive, perpetual, royalty-free worldwide license of all product or service instructions, concepts, instructions, ideas, inventions, techniques of manufacture, preparation, display or service, or other know-how, advertising materials and trade secrets created by or for you for use in, by or for the Franchised Unit, and you acknowledge that we and our Affiliates may incorporate, modify, supplement, sublicense or otherwise commercialize such information as part of the Franchised System or in any other manner. At our request and expense, we may require you to execute and deliver an assignment of the ownership rights to any such Intellectual Property or such other writing as we may request to transfer ownership to us, or pursue registration or other legal protection for such Intellectual Property.

(i) **OPERATIONS MANUAL.**

During the Term, we will provide you with access to the Operations Manual, in a format we choose (including, without limitation, paper, CD/DVD or online). We may from time to time revise the contents of the Operations Manual, and you will follow our instructions to make corresponding revisions to all of your copies of the Operations Manual and to comply with each change in any System Standard. If there is any dispute as to the contents of the Operations Manual, the master copy of the Operations Manual we maintain in our home office shall be controlling.

(j) **MANUAL CONTROLS.**

The Operations Manual shall at all times remain our sole property regardless of format and shall at all times be kept, and the access codes and procedures for electronic versions shall be kept, in a secure place on the Franchised Unit premises. You shall at all times treat the Operations Manual, any other written material created for or approved for use in the operation of the Franchised Unit and the information contained therein as confidential and shall use all reasonable efforts to maintain such information as proprietary and confidential. Except for those portions of the Operations Manual that we designate in writing as appropriate for copying and use at the Franchised Unit, you shall not at any time copy, duplicate, record or otherwise

reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized Person.

14. **REPORTS AND RECORDS.**

WE WILL HAVE ACCESS TO YOUR FINANCIAL INFORMATION, INCLUDING YOUR GROSS SALES NUMBERS, THROUGH THE SOFTWARE APPLICATIONS AND TECHNOLOGY WE UTILIZE FOR JOB TRACKING AND BILLING. UPON OUR REQUEST YOU WILL DELIVER TO US: COMPLETE QUARTERLY PROFIT AND LOSS STATEMENTS FOR THE FRANCHISED UNIT (AND ANY OTHER STATISTICAL REPORTS WHICH WE MAY REQUIRE UNDER THE OPERATIONS MANUAL); A COPY OF EACH MONTHLY PROFIT AND LOSS STATEMENT; AND A COPY OF ALL SALES TAX RETURNS FILED FOR THE FRANCHISED UNIT AS AND WHEN FILED WITH EACH APPROPRIATE TAXING AUTHORITY. WITHIN 90 DAYS AFTER THE END OF EACH FISCAL YEAR, YOU WILL, WITHOUT REQUEST, DELIVER TO US A COMPLETE PROFIT AND LOSS STATEMENT COVERING THE OPERATIONS OF THE FRANCHISED UNIT FOR THE PRECEDING FISCAL YEAR AND A BALANCE SHEET DATED AS OF THE CLOSE OF THAT FISCAL YEAR. WE MUST OBTAIN THIS INFORMATION TO COMPLY WITH OUR LEGAL RESPONSIBILITIES. YOU WILL KEEP ALL RECORDS OF THE FRANCHISED UNIT FOR AT LEAST SEVEN YEARS AFTER THE END OF THE FISCAL YEAR IN WHICH THEY ARE CREATED IN A MANNER AND FORM SATISFACTORY TO US AND WILL DELIVER ANY ADDITIONAL FINANCIAL, OPERATING AND OTHER INFORMATION AND REPORTS WHICH WE MAY REQUEST IN THE MANNER WE PRESCRIBE IN THE OPERATIONS MANUAL OR IN ANOTHER REASONABLE FORMAT. WE WILL HAVE THE RIGHT TO ASSEMBLE AND DISSEMINATE TO THIRD PARTIES FINANCIAL AND OTHER INFORMATION REGARDING YOU AND OTHER FRANCHISEES TO THE EXTENT REQUIRED BY LAW OR TO THE EXTENT NECESSARY OR APPROPRIATE TO FURTHER THE INTERESTS OF THE FRANCHISED SYSTEM AS A WHOLE. WE WILL HAVE THE RIGHT TO DISCLOSE YOUR BUSINESS NAME, ADDRESS AND TELEPHONE NUMBER AS THEY APPEAR IN OUR RECORDS IN OUR FRANCHISE DISCLOSURE DOCUMENTS AND TO ANY PERSON MAKING INQUIRY AS TO THE OWNERSHIP OF THE FRANCHISED UNIT. WE WILL NOT DISCLOSE SPECIFIC FINANCIAL INFORMATION REGARDING YOU OR THE FRANCHISED UNIT TO ANY PERSON WITHOUT (A) YOUR CONSENT OR (B) COMPULSION OF LAW.

15. **INSPECTION, TESTING AND AUDIT.**

(a) **INSPECTIONS.**

We will have the right to inspect your Franchised Unit at any time during or immediately before or after regular business hours during the Term, with or without notice to you as part of our evaluation and quality assurance programs. You will also permit us or our agents, at any reasonable time, to remove samples of Plumbing Services from your inventory, or from the Franchised Unit, without payment for such items, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether said samples meet our then current System Standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform to our specifications.

(b) **AUDITS.**

We or our authorized representatives have the right at all times during the business day to enter the premises where your books, records, accounts, and related materials for the Franchised Business are kept and to examine, evaluate, copy, and audit such books and records, including, without limitation, financial statements, reports, state, federal, personal income tax records or other income tax records covering or

relating to the Business, sales tax records, payroll records, databases, and other records. We may also request information from your suppliers, vendors, and customers. We may, in our sole discretion, conduct audits either on-site or remotely of the books and records of the Franchised Business and the personal tax returns of the Owners. You are required to fully cooperate with any persons conducting such examinations or audits, including providing access to all requested documents, systems, electronic records, and personnel.

Your POS and management systems must remain online so that we may remotely access, copy, or update software and view all records, files, and reports. You may not purge or delete data except as permitted in the Operations Manual. If any examination or audit (whether on-site or remote) reveals (i) an understatement of 2% or more of your Gross Sales for any period, or (ii) failure to provide requested information within 30 days of notice, then you shall bear the cost of the audit, including, without limitation, professional fees, travel, and room and board expenses directly related thereto, in addition to paying all amounts due, plus interest and late fees as provided in Section 5. In addition, if, in our reasonable business judgment, we believe that you have failed to comply with your reporting and/or record keeping obligations hereunder, we have the right to also access and evaluate, copy and audit books and records related to any other business in which you have an ownership or management interest. Additionally, we may, for up to two years following any such audit, conduct additional periodic audits on-site or remotely at your sole expense under the same terms.

To verify the accuracy of your records, we may reconstruct your sales through any reasonable method of analysis. You agree to accept such reconstruction unless you provide evidence, in a form satisfactory to us, of your actual sales within 14 days of notice of understatement or variance. If you dispute any audit findings, you must do so in writing and in accordance with the Operations Manual within 30 days of notice of understatement or variance, or you will waive the right to challenge the audit findings. In addition to any other remedies provided in this Agreement, at law, or in equity, we have the right to terminate this Agreement immediately if you intentionally understate or underreport Gross Sales, or if a subsequent audit conducted within the two-year period reveals an understatement of 2% or more. For avoidance of doubt, nothing in this Section shall be deemed to supersede or waive any applicable cure periods for failure-to-pay defaults set forth elsewhere in this Agreement.

16. MARKET INTRODUCTION PLAN, ANNUAL MARKETING PLAN & LOCAL MARKETING.

(a) We will assist you with developing a Market Introduction Plan which is intended to facilitate the introduction of the Brand to the market and support the opening of the Unit through a concentrated, consistent marketing commitment from you during the immediate pre-opening and post opening periods. You will develop the Marking Introduction Plan with the assistance of our marketing team and submit it to us for approval before your Unit is scheduled to open. If you do not timely receive our approval, you must follow up with us using alternative methods of communication. The Market Introduction Plan should provide for spending at least \$5,000 during this period on advertising, marketing and promotion of the Unit. Once accepted, you must proceed to execute and complete the Market Introduction Plan according to its timeline. We will require proof of your expenditures and execution of the Plan as accepted. We do not guarantee that the Market Introduction Plan will cause the Unit to open successfully.

(b) We will assist you with developing an Annual Marketing Plan and assist you with updating it annually thereafter if there are any changes. We reserve the right to approve of your Annual Marketing Plan each year. If you do not receive our approval of the plan, you must follow up with us using alternative methods of communication. Once accepted, you must execute and implement the Annual Marketing Plan, including its timeline, for the year beginning January 1, or the balance of the first year of Unit operation.

Additionally, starting 60 days prior to your opening date, and continuing for twelve months after opening, you must spend a minimum of \$1,000 monthly on local marketing, advertising, public relations,

and promotions as directed by us. Additionally, you must spend at least 2.00% of Gross Sales for local marketing and promotional expenses of the Franchised Unit consistent with the Annual Marketing Plan. We may either (i) collect and spend these funds on your behalf, or (ii) direct you on how to allocate them. We have sole discretion over local marketing and promotional expenditures, including but not limited to budget allocation, marketing methods, media selection, and promotional content. We may, but are not obligated to, assist you with the review of local media campaigns. We may, but are not obligated to, provide you with standard print media advertising templates to use locally.

Local marketing and promotional expenses include the cost of direct mail solicitations, public relations activities, community events and sponsorships, newspaper advertisements, telephone book listings and advertisements, and other distributed promotional materials. Local marketing and promotional expenses do not include amounts spent on sign rental, consumable paper products for use in the Unit, or packaging for Plumbing Services which may contain one or more of the Proprietary Marks.

You will conduct all marketing and promotional activities that use the Proprietary Marks or refer to the Franchised Unit in a dignified manner and in compliance with the System Standards and requirements we specify. You will submit for our approval samples of all advertising and promotional materials that you wish to use at least 30 days before making any financial commitment to use the materials. If we do not provide you our approval or notice of any objections to the proposed materials within 30 days after their receipt by us, the materials or content will be deemed approved. If you fail to discontinue the use of any unapproved materials within five days after notice from us, we may enter the Franchised Unit, remove any unapproved materials and hold the materials for proper disposition according to your instructions. If you do not spend at least 2.00% of Gross Sales on local marketing and advertising, you shall contribute the difference between the actual amount spent and the required amount to the 1-Tom-Plumber Brand Fund unless we have approved a lesser amount in writing.

(c) We reserve the right to establish an advisory council of franchisees that will advise us on advertising policies and other matters.

17. ADVERTISING COOPERATIVE.

WE MAY ESTABLISH ONE OR MORE ADVERTISING COOPERATIVES FROM TIME TO TIME AND, FURTHER, MAY MODIFY, TERMINATE AND REFORM ANY EXISTING ADVERTISING COOPERATIVE AT ANY TIME IN OUR SOLE DISCRETION. IF THE FRANCHISED UNIT OPERATES WITHIN A DMA FOR WHICH AN APPROVED ADVERTISING COOPERATIVE EXISTS, YOU WILL CONTRIBUTE TO THE ADVERTISING COOPERATIVE THE AMOUNTS REQUIRED BY THE COOPERATIVE UP TO 2.00% OF THE GROSS SALES OF THE FRANCHISED UNIT DURING EACH REPORTING PERIOD. UP TO 0.50% OF SUCH PAYMENTS MADE TO ANY COOPERATIVE WILL COUNT TOWARDS SATISFACTION OF YOUR MINIMUM LOCAL ADVERTISING SPENDING UNDER SECTION 0. ALL UNITS THAT WE OR OUR AFFILIATES OPERATE WILL PARTICIPATE IN ANY ADVERTISING COOPERATIVE THAT WE ESTABLISH FOR THE DMA IN WHICH THEY ARE LOCATED ON THE SAME BASIS AS THE FRANCHISED UNITS IN THE DMA. WE WILL ADMINISTER THE COOPERATIVE UNLESS WE DESIGNATE ANOTHER PARTY TO PERFORM THE ADMINISTRATIVE FUNCTIONS. THE COOPERATIVE MAY HAVE WRITTEN GOVERNING DOCUMENTS THAT WE MUST PROVIDE OR APPROVE, WHICH WILL BE AVAILABLE FOR ALL PARTICIPANTS IN THE COOPERATIVE TO REVIEW. EACH COOPERATIVE WILL MAINTAIN ACCOUNTING RECORDS AND COMPILE FINANCIAL STATEMENTS THAT WILL BE AVAILABLE FOR REVIEW BY ALL PARTICIPANTS. WE RETAIN THE POWER TO REQUIRE ANY COOPERATIVE TO BE FORMED, CHANGED, DISSOLVED OR MERGED WITH ANOTHER COOPERATIVE.

18. **PROMOTIONAL PROGRAMS.**

YOU SHALL PARTICIPATE IN PROMOTIONAL PROGRAMS WE DEVELOP FOR THE FRANCHISED SYSTEM IN THE MANNER WE DIRECT IN THE OPERATIONS MANUAL OR OTHERWISE IN WRITING.

19. **BRAND FUND.**

WE HAVE ESTABLISHED A BRAND FUND (THE “BRAND FUND”). YOU MUST PAY A BRAND FUND CONTRIBUTION TO US IN AN AMOUNT EQUAL TO 2.00% OF THE GROSS SALES OF THE FRANCHISED UNIT DURING THE PRECEDING WEEK IN ADDITION TO ANY DIFFERENCE REQUIRED UNDER SECTION 16(B). WE WILL ACCOUNT FOR ALL BRAND FUND CONTRIBUTIONS WE COLLECT IN A SEPARATE ACCOUNT. WE ALSO MAY DEPOSIT THE MARKETING, PROMOTIONAL AND OTHER PAYMENTS WE RECEIVE FROM SUPPLIERS INTO THE BRAND FUND. WE WILL DISBURSE THE BRAND FUND TO PAY FOR MARKETING, ADVERTISING, PROMOTIONAL, PUBLIC RELATIONS, AND OTHER SIMILAR ACTIVITIES INTENDED TO BENEFIT 1-TOM-PLUMBER UNITS, AND THEIR ADMINISTRATION. THOSE ACTIVITIES MAY INCLUDE (WITHOUT LIMITATION) (A) MARKET RESEARCH, (B) TECHNOLOGY DEVELOPMENT AND IMPLEMENTATION, (C) CUSTOMER SERVICE, LOYALTY AND REWARD PROGRAMS, (D) MEDIA PURCHASES, (E) ADVERTISING PRODUCTION, (F) ADVERTISING AND PUBLIC RELATIONS AGENCY FEES AND EXPENSES, (G) PRODUCT RESEARCH AND DEVELOPMENT, (H) DEVELOPING AND IMPLEMENTING MARKETING STRATEGIES, ANNUAL UNIT MARKETING PLAN TEMPLATES AND SUPPORTING THE EVOLUTION OF THE MARKET INTRODUCTION PROGRAM, (I) DEVELOPING AND PROTECTING OUR INTELLECTUAL PROPERTY, (J) FRANCHISEE CONFERENCES; AND (K) OPERATING AN AUTOMATED CENTRAL DISPATCH SYSTEM FOR CONTACTS FROM PROSPECTIVE CUSTOMERS. WE ALSO MAY USE THE BRAND FUND TO PAY OR REIMBURSE US FOR OUR ADMINISTRATIVE OVERHEAD INCURRED FOR ACTIVITIES SUPPORTED BY THE BRAND FUND. ANY MONEYS IN THE BRAND FUND NOT SPENT AT THE END OF EACH FISCAL YEAR WILL REMAIN IN THE BRAND FUND, PROVIDED THAT AMOUNTS CONTRIBUTED TO THE BRAND FUND MAY BE USED TO PAY TAXES ASSOCIATED WITH UNSPENT AMOUNTS ON DEPOSIT IN THE BRAND FUND. WE WILL HAVE THE SOLE AND EXCLUSIVE DISCRETION TO DIRECT ALL ACTIVITIES AND PROGRAMS FUNDED BY THE BRAND FUND. WE GENERALLY WILL ADMINISTER THE BRAND FUND FOR THE BENEFIT OF ALL UNITS. YOU ACKNOWLEDGE THAT WE HAVE NO OBLIGATION EXPEND BRAND FUND AMOUNTS FOR YOUR BENEFIT EQUIVALENT OR PROPORTIONATE TO YOUR BRAND FUND CONTRIBUTIONS, AND WE DO NOT WARRANT OR GUARANTEE THAT YOU WILL RECEIVE OR DERIVE ANY BENEFIT FROM BRAND FUND ACTIVITIES. WE WILL MAKE ALL STUDIES AND REPORTS PRODUCED BY THE BRAND FUND AVAILABLE TO YOU AT NO COST AS CONFIDENTIAL INFORMATION. WE WILL MAKE COPIES OF ALL MATERIALS PRODUCED BY THE BRAND FUND FOR FRANCHISEE USE AVAILABLE TO YOU AT YOUR EXPENSE. WE WILL NOT USE THE BRAND FUND FOR ADVERTISING AND PROMOTION TO PROMOTE FRANCHISE RECRUITMENT ONLY, BUT WE MAY INCLUDE FRANCHISE RECRUITMENT LANGUAGE IN PUBLIC RELATIONS MATERIALS, GENERAL SOCIAL MEDIA, THE 1-TOM-PLUMBER WEBSITE AND CONSUMER MARKETING MATERIALS AND CONTENT. WE MAY SUSPEND, TERMINATE AND REINSTATE THE BRAND FUND AT ANY TIME. THE BRAND FUND WILL NOT TERMINATE, HOWEVER, UNTIL WE HAVE SPENT ALL MONEYS IN THE BRAND FUND FOR THE PURPOSES SET FORTH ABOVE.

20. **PUBLICITY AND PROMOTIONAL MATERIALS.**

WE WILL HAVE THE RIGHT TO PHOTOGRAPH THE FRANCHISED UNIT OR VEHICLES AND TO USE THE PHOTOGRAPHS IN ANY OF OUR PUBLICITY OR ADVERTISING PROGRAMS. YOU CONSENT TO SUCH PHOTOGRAPHY AND USE, AND COVENANT TO COOPERATE IN SECURING THE PHOTOGRAPHS AND THE CONSENTS OF ANY INDIVIDUALS PICTURED. YOU WILL PLACE FRANCHISE RECRUITMENT ADVERTISING AND PROMOTIONAL MATERIALS FOR 1-TOM-PLUMBER FRANCHISES IN THE FRANCHISED UNIT AND ON OR IN THE VEHICLES IF AND WHEN WE SO REQUEST.

21. **INSURANCE.**

(a) **REQUIRED INSURANCE.**

You must procure and maintain during the term of the Franchise Agreement insurance policies protecting you, your employees, and us, our officers, employees, and other persons that we designate by name, against all loss, liability, fire, personal injury, death, property damages, or theft arising from, or occurring in connection with, the operation and promotion of the Business. The insurance coverages noted below reflect the minimum amounts of coverage we require; it is not meant to reflect the actual needs you may have or other state-mandated coverage, and it is your sole responsibility to carefully evaluate whether such minimums will adequately meet your needs and state requirements (i.e., flood insurance, employment practices liability, pollution or major medical, etc.). We may require you to purchase insurance from a specific provider(s).

The current insurance requirements are as follows:

1. Commercial General Liability, Contractor's Pollution Liability Insurance, and Professional Liability Insurance. Coverage for "bodily injury," "property damage," and "personal and advertising injury" with no exclusion or limitation applying to the products / completed operations liability coverage. Limits must be at least \$2,000,000 general aggregate, \$2,000,000 products and completed operations aggregate, \$1,000,000 personal and advertising injury limit, and \$1,000,000 per occurrence.

Limits must specifically confirm coverage for pollution, including mold and lead, with minimum limits of \$1,000,000 each incident, with \$1,000,000 aggregate. The limited liability pollution endorsement does not meet the pollution insurance requirement. Contractual liability coverage including the assumed personal and advertising injury endorsement must be included to cover the indemnity provisions of this Franchise Agreement. The exclusion for employer's liability shall not apply to claims for covered contractually assumed liability claims.

Such policy shall contain a waiver of subrogation endorsement as to claims against us.

We and our parents and affiliates shall be named as an additional insured on this policy on a primary and noncontributory basis and with both a CG-2037 Products/Completed Operations Form and a Grantor of Franchise Form CG2029 or an insurer's comparable form.

2. Automobile Liability Insurance. You are required to maintain insurance with a combined single limit ("CSL") of \$1,000,000 for bodily injury and property damage for all owned or leased vehicles and include hired and non-owned vehicles. You must name us and our Affiliates as additional insured, and such policy shall contain a waiver of subrogation endorsement as to claims against us.

3. Workers' Compensation and Employers' Liability. Statutorily required workers' compensation insurance and employer's liability insurance are required to be maintained

with limits of at least \$1,000,000 by accident, \$1,000,000 by disease, and \$1,000,000 policy limit. Such policy shall contain a waiver of subrogation endorsement as to claims against us.

In “Monopolistic States,” including Ohio, North Dakota, Washington, Wyoming, and West Virginia, “Stop Gap” coverage must be purchased separately or added to the commercial general liability policy and/or worker’s compensation and employers’ liability policy. “Stop Gap” in Ohio must not contain exclusion with the “substantially certain to occur” language.

4. **Umbrella or Excess Liability Insurance.** You are required to maintain a commercial umbrella liability insurance policy with minimum limits of \$2,000,000 per occurrence and aggregate and shall list the commercial general liability, pollution liability, and automobile liability as scheduled underlying policies.

5. **Employee Dishonesty Insurance.** You are required to maintain employee dishonesty insurance with minimum limits of \$100,000 per loss and such coverage is to also cover acts of stealing against third parties.

6. **Property Coverage:** You are required to maintain insurance on your business personal property at amounts equivalent to replacement value. You must carry business income and expense coverage for six months.

7. **Professional Liability Insurance/Errors and Omissions:** You are required to have a Contractor’s Professional Liability Coverage (sometimes referred to as errors and omissions), with minimum limits of \$1 million per occurrence and \$2 million aggregate.

8. **Employment Practices Liability Insurance (EPLI):** We strongly recommend but do not require that you carry EPLI with minimum limits of \$1,000,000.

9. Additionally, you are required to comply with any state, county, local, or other municipal insurance requirements.

(b) OTHER PROVISIONS.

No deductible or self-insured retention can exceed \$5,000 for any required insurance policy, except that you may have retention of up to \$10,000 on the Umbrella Liability Insurance policy.

You may not reduce the policy limits, restrict coverage, cancel, or otherwise alter or amend any insurance policy without our written consent.

Commercial General Liability, Contractor’s Pollution Liability Insurance, Automobile Liability Insurance, and Umbrella or Excess Liability Insurance policies will name us any other entities that we designate (the “Indemnified Parties”), as an additional insured **at the carrier level**, and will contain no provision which in any way limits or reduces coverage for you in the event of a claim by any one or more of the Indemnified Parties, will extend to and provide indemnity for all obligations assumed by you and all items for which you are required to indemnify us, will be primary to and without right of contribution from any other insurance purchased by the Indemnified Parties, and will provide, by endorsement, that we receive at least ten days prior notice of any intent to cancel or materially alter any policy. Whenever a change is made to your policy, and before the expiration of any insurance coverage, you must submit to us a copy or certificate or other acceptable proof of such insurance with a copy of the Additional Insured Endorsement on your policy. On occasion, we may request complete copies of all insurance policies to ensure compliance with the insurance provisions of this contract.

Periodically we may modify the minimum insurance limits and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, higher court awards and other relevant circumstances. You will receive at least 90 days advance written notice of any change.

(c) CERTIFICATE OF INSURANCE.

You must maintain these insurance levels throughout the term of your Franchise Agreement. You must provide us with proof of coverage on demand. You must obtain these insurance policies from

insurance carriers that are rated “A” or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Franchised Business. All insurance policies must (i) name us (and our members, officers, directors, and employees) as additional insureds and (ii) contain a waiver by the insurance carrier of all subrogation rights against us. Furthermore, you shall be required to provide ten days prior written notice of the termination, expiration, cancellation, or modification of any insurance policy.

You must annually submit insurance certifications that demonstrate compliance with our insurance requirements. We have the right to increase or otherwise modify the minimum insurance requirements upon written notice to you, and you shall comply with any such modification within the time specified in the notice.

(d) **REMEDIAL INSURANCE.**

If you fail to comply with the minimum insurance requirements, we have the right to obtain such insurance and keep it in force and effect, and you shall pay us, on demand, the premium cost and administrative costs of 3% in connection with our obtaining the insurance. You shall pay the same to us immediately upon notice.

22. **ASSIGNMENTS & TRANSFERS.**

(a) **OUR ASSIGNMENTS.**

We may assign, delegate or subcontract all or any part of our rights and duties under this Agreement, including by operation of law, without notice and without your consent. You are not the third party beneficiary of any contract with a third party to provide services to you under this Agreement, but we are responsible for the performance of all of our obligations to you under this Agreement. We may dissolve, terminate and wind up our business under applicable law but we will transfer the System and this Agreement to a party that will perform the franchisor’s obligations and that will assume this Agreement in writing. We will have no obligations to you after you are notified that our transferee has assumed our obligations under this Agreement except those that arose before we assign this Agreement.

(b) **YOUR ASSIGNMENTS.**

This Agreement is personal to you (and your Owners if you are an entity). We are relying on your experience, skill and financial resources (and that of your Owners and the Guarantors, if any) to sign this Agreement with you. You may not directly or indirectly transfer, assign, grant a security interest in, or pledge any direct or indirect interest in this Agreement, the Franchised Unit, the Vehicles, the Central Office or in you to any Person without our prior consent, which we may withhold or condition in our sole discretion. Without limiting our discretion to withhold our consent to any such assignment, any assignee must satisfy all of the requirements and conditions then being used to qualify as a new franchisee of ours and we reserve the right to charge your transferee a "Transfer Fee" equal to 25% of the then current initial franchise fee for the Franchised Unit. If you are an individual, then in the event of your death, permanent disability or appointment of a guardian for you, this Agreement will terminate 6 months after your death, permanent disability or appointment of a guardian unless we give our consent within that 6-month period to the assignment of this Agreement to a successor by law. The Transfer Fee is not refundable once paid.

23. **RIGHTS OF FIRST REFUSAL AND PURCHASE OPTION.**

(a) Prior to the sale or transfer of any interest that constitutes Control (the “Offered Interest”) of the Franchised Unit, of one of your Vehicles, or of you, you must notify us of the proposed sale or transfer and deliver to us the name and address of the proposed purchaser or transferee, the proposed purchase price, and all other terms and conditions of the proposed sale or transfer of the Offered Interest. In addition, you must deliver to us one photocopy of all proposed purchase agreement, if any and all other agreements and instruments signed and to be signed in the transaction, and copies or electronic access to all diligence, offering and other materials furnished to the proposed purchaser as part of the selling process.

Within 30 days after we receive the foregoing notice and materials, we will have the right and option to send notice to you that we intend to acquire the Offered Interest on the same terms and conditions as contemplated by the third party. If we do not send notice of our intent to acquire the Offered Interest within the 30-day period, you may proceed with the sale or transfer as disclosed to us, subject to our rights as set forth in Section 22 of this Agreement, as long as the terms and conditions of the sale or transfer stay identical to those as originally disclosed to us. If we do not exercise our right of first refusal, you have 60 calendar days or as stipulated by law to complete the sale. Our failure to exercise our right of first refusal will not constitute a waiver of any other provision of this Agreement, or our right of first refusal as to any subsequent proposed sale or transfer. Any material change in the terms of the proposed sale or transfer prior to closing will constitute a new sale or transfer, subject to the same right of first refusal by us as for the initial sale or transfer. Any sale or transfer attempted without first giving us the right of first refusal specified in this Section 23 will render the attempted sale or transfer null and void. We may utilize the remedy of specific performance to enforce this right.

(b) Within thirty (30) days before or after the termination or expiration of this Agreement, we have the right and option to purchase the Franchised Unit tangible assets and assume the Lease for the Central Office. We will give you notice of our intent to purchase within this time frame, and in response you will provide us with current copies of the Lease for the Central Office, a complete schedule of the Franchised Unit's tangible assets and their book value, a profit and loss statement for the twelve full months preceding the date of the notice and a copy of all federal and state sales and income tax returns and tax payment verification of the Franchised Unit and your franchisee entity filed during or for that period, a list of employees and their current compensation, and a list of all vendors and suppliers for the Franchised Unit. We will send you a written offer to purchase the assets at fair market value within ten (10) days after we receive all of this information, together with conveyancing documents. If you do not accept the offer within that time, you may make a counter offer within ten (10) days after you receive our offer. If we do not accept the offer and we elect to proceed with the transaction, then the purchase price for the tangible assets will be the greater of (i) the book value of the tangible assets shown on the schedule you send us, or (ii) three (3) times the earnings before interest, taxes, depreciation and amortization shown on the profit and loss statement you sent to us. We will hold back from the purchase price an amount equal to unpaid state sales taxes for the months you have not paid plus two months' average sales tax payments until you provide a state sales tax clearance letter from your state. We will close the transaction within ten (10) days after the purchase price has been determined or agreed, subject to your first obtaining consent of the landlord of the location to assignment of the Lease. If that consent has not been obtained within twenty (20) days after the price has been determined, then we may abandon the transaction at any time before the consent is obtained. We will cooperate to obtain such consent, but will not agree to modification of the Central Office Lease or providing a personal guaranty as a condition to such consent.

24. **BUSINESS ENTITY FRANCHISEE.**

IF YOU CONSTITUTE A BUSINESS ENTITY, EACH OF YOUR OWNERS MUST EXECUTE THE GUARANTY AND RESTRICTION AGREEMENT ATTACHED AS ATTACHMENT C. YOUR CERTIFICATE OF INCORPORATION, SHAREHOLDERS' AGREEMENT, PARTNERSHIP AGREEMENT, TRUST AGREEMENT, OPERATING AGREEMENT, OR OTHER SIMILAR AGREEMENT (A "CORE AGREEMENT") MUST PROVIDE THAT YOUR PURPOSE WILL CONSIST ONLY IN THE DEVELOPMENT, OWNERSHIP, OPERATION AND MAINTENANCE OF 1-TOM-PLUMBER UNITS. THE CORE AGREEMENT MUST PROHIBIT THE ISSUANCE OF ANY ADDITIONAL EQUITY OWNERSHIP INTERESTS OR THE TRANSFER, ASSIGNMENT OR PLEDGE OF ANY ISSUED EQUITY OWNERSHIP INTERESTS WITHOUT OUR CONSENT AND MUST PROVIDE THAT EACH CERTIFICATE OR DOCUMENT ISSUED TO EVIDENCE ANY EQUITY OWNERSHIP INTEREST WILL CONTAIN A LEGEND DISCLOSING THE FOREGOING RESTRICTION. IN GIVING OUR CONSENT UNDER SECTION 22 TO ANY ISSUANCE OR TRANSFER OF YOUR EQUITY

INTERESTS, WE MAY IN OUR DISCRETION IMPOSE ONE OR MORE CONDITIONS, INCLUDING (WITHOUT LIMITATION) THE REQUIREMENT THAT THE INDIVIDUAL BENEFICIAL OWNER OF THE EQUITY OWNERSHIP INTEREST EXECUTE THE FORM OF GUARANTY AND RESTRICTION AGREEMENT ATTACHED AS ATTACHMENT C OR A SUPPLEMENT TO THE ORIGINAL SUCH AGREEMENT ACCEPTABLE TO US IN FORM AND SUBSTANCE ADDING SUCH PERSON AS A "GUARANTOR." YOU MUST DELIVER TO US ALL OF THE DOCUMENTS DEMONSTRATING COMPLIANCE WITH THIS SECTION WHEN WE SO REQUEST.

25. DEATH OR APPOINTMENT OF GUARDIAN OR CONSERVATOR OF A PRINCIPAL.

UPON THE DEATH OF AN OWNER, OR THE APPOINTMENT OF A PERMANENT GUARDIAN OR CONSERVATOR TO MANAGE THE OWNER'S AFFAIRS, THE OWNER'S TRUSTEE, CONSERVATOR OR OTHER PERSONAL REPRESENTATIVE MAY HOLD THE DECEASED'S EQUITY INTEREST IN THE FRANCHISEE ENTITY FOR UP TO SIX MONTHS AND MAY ONLY TRANSFER THE DECEASED'S INTEREST FROM THE ESTATE, A TESTAMENTARY TRUST OR INTER VIVOS TRUST TO A THIRD PARTY WE APPROVE UNDER THE PROCEDURES SET FORTH IN THIS AGREEMENT. IF THE OWNER WAS THE OWNER-OPERATOR, THEN WE MAY TREAT THE PERSONAL REPRESENTATIVE, TRUSTEE OR CONSERVATOR AS THE OWNER-OPERATOR UNTIL YOU APPOINT SOMEONE ELSE. ANY FAILURE TO COMMENCE ADMINISTRATION OF THE DECEDENT'S ESTATE WITHIN 90 DAYS AFTER DEATH OR ANY DISTRIBUTION OF THE DECEDENT'S EQUITY INTEREST IN THE FRANCHISEE ENTITY WITHOUT OUR CONSENT IF SUCH DISTRIBUTION OPERATES AS AN ASSIGNMENT, IS A MATERIAL BREACH OF THIS AGREEMENT.

26. TEMPORARY DISABILITY OF AN OWNER.

IF A PHYSICIAN, COURT OR ADMINISTRATIVE AGENCY DETERMINES THAT AN OWNER-OPERATOR OR AN OWNER OWNING A CONTROLLING INTEREST IN YOU HAS BECOME TEMPORARILY DISABLED AND INCOMPETENT TO MANAGE HIS OR HER OWN AFFAIRS, WE HAVE THE RIGHT TO REQUIRE THAT A DIFFERENT OWNER-OPERATOR BE APPOINTED UNTIL THE OWNER'S PERMANENT STATUS IS DETERMINED. WE MAY REQUIRE THAT THE OWNER'S EQUITY INTEREST BE TRANSFERRED TO A THIRD PARTY ACCEPTABLE TO US FOLLOWING THE ASSIGNMENT CONDITIONS AND PROCEDURES IN THIS AGREEMENT IF THE TEMPORARY DISABILITY DOES NOT RESOLVE WITHIN SIX MONTHS AFTER THE TEMPORARY DISABILITY IS DETERMINED.

27. SECURITIES OFFERINGS.

IF YOU INTEND TO ENGAGE IN A PUBLIC OR PRIVATE OFFERING OF YOUR EQUITY INTERESTS, THEN YOU MUST SUBMIT FOR OUR REVIEW YOUR OFFERING MATERIALS OR PROSPECTUS BEFORE YOU FILE THE DOCUMENT OR COMMENCE ITS USE. NO OFFERING BY YOU OR ANY AFFILIATE SHALL IMPLY (BY USE OF THE PROPRIETARY MARKS OR OTHERWISE) THAT WE ARE PARTICIPATING IN AN UNDERWRITING, ISSUANCE OR OFFERING OF YOUR SECURITIES OR THOSE OF AFFILIATES. OUR REVIEW OF ANY OFFERING MATERIAL SHALL BE LIMITED SOLELY TO THE RELATIONSHIP BETWEEN YOU AND US (AND ANY OF OUR AFFILIATES, IF APPLICABLE), AN ACCURATE DESCRIPTION OF OUR SYSTEM, AND THE ABSENCE OF ANY DISCLOSURE OF CONFIDENTIAL INFORMATION ABOUT US OR THE SYSTEM. WE MAY, AT OUR OPTION, REQUIRE THAT THE OFFERING MATERIALS MAKE A WRITTEN STATEMENT WE PRESCRIBE ABOUT THE LIMITATIONS STATED IN THE PRECEDING

SENTENCE. YOUR INDEMNIFICATION OBLIGATIONS IN SECTION 35 INCLUDE CLAIMS RELATING TO YOUR SECURITIES OFFERING, DISCLOSURE MATERIALS AND COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS. FOR EACH PROPOSED OFFERING, YOU SHALL PAY US A NON-REFUNDABLE FEE \$10,000 WHEN YOU REQUEST OUR PARTICIPATION. WE RESERVE THE RIGHT TO CHANGE YOU SUCH GREATER AMOUNT AS IS NECESSARY TO REIMBURSE US FOR OUR REASONABLE COSTS AND EXPENSES (INCLUDING LEGAL AND ACCOUNTING FEES) FOR REVIEWING THE PROPOSED OFFERING MATERIALS. YOU MUST SUBMIT YOUR OFFERING MATERIALS FOR OUR REVIEW AT LEAST 30 DAYS IN ADVANCE OF THE ANTICIPATED FILING OR RELEASE DATE. ANY SUCH OFFERING SHALL BE SUBJECT TO OUR APPROVAL AS TO THE STRUCTURE AND CONTROL OF THE OFFEROR (AND YOU, IF YOU ARE NOT THE OFFEROR) AFTER THE FINANCING IS COMPLETED. YOU SHALL REIMBURSE US FOR OUR REASONABLE COSTS AND EXPENSES (INCLUDING LEGAL AND ACCOUNTING FEES) FOR REVIEWING PERIODIC REPORTS FILED BY YOU AS ISSUER OR REGISTRANT.

28. TERMINATION BY YOU.

IF WE SUBSTANTIALLY FAIL TO PERFORM ANY OF OUR MATERIAL OBLIGATIONS TO YOU UNDER THIS AGREEMENT, YOU MUST GIVE US WRITTEN NOTICE OF NON-PERFORMANCE AND AT LEAST 60 DAYS TO CURE THE FAILURE. IF THE FAILURE CONTINUES AT THE END OF SUCH 60-DAY CURE PERIOD, YOU MAY TERMINATE THIS AGREEMENT ON WRITTEN NOTICE TO US DELIVERED AT ANY TIME BEFORE WE CURE THE FAILURE. YOU MAY NOT WITHHOLD THE PAYMENT OF ANY FEES DUE UNDER THIS AGREEMENT DURING THE PENDENCY OF CURE PERIOD, AND ANY PAYMENT BY YOU OF FEES ACCRUING AFTER THE EXPIRATION OF THE CURE PERIOD WILL BE DEEMED A WAIVER OF OUR DEFAULT BY YOU.

29. TERMINATION BY US FOR INCURABLE DEFAULTS.

WE MAY TERMINATE THIS AGREEMENT EFFECTIVE IMMEDIATELY (OR AT THE EARLIEST TIME ALLOWED UNDER APPLICABLE LAW, OR AFTER A CURE PERIOD WHICH WE MAY ALLOW IN OUR SOLE DISCRETION) UPON WRITTEN NOTICE TO YOU FOR ANY OF THE FOLLOWING EVENTS:

(a) You close or abandon the Franchised Unit or a Vehicle for a period of (i) three consecutive business days, (ii) five days in any 12-month period, (iii) during the hours and days of required Unit operation under the Operations Manual, except for any closure, remodeling or vacation we approve in advance, and except during the pendency of any force majeure event beyond your control;

(b) You or any of your Owners who is a Guarantor request the appointment of a receiver or have a receiver appointed for the Franchised Unit, you or any of your or their assets;

(c) You or any of your Owners who is a Guarantor become insolvent or make a general assignment for the benefit of your or their creditors;

(d) You or any of your Owners who is a Guarantor commence a case for relief or have an order for relief entered for you or them under the United States Bankruptcy Code or any foreign equivalent, or file or have filed against you a case for reorganization that is not dismissed within 60 days after filing;

(e) You or any of your Owners suffer a conviction for, or plead guilty or *nolo contendere* to a crime involving moral turpitude or any other offense, or an incident occurs at or involving the Unit or an off-premises service provided by the Unit, reasonably likely, in our opinion, to have an

adverse effect on the goodwill of the Proprietary Marks or name and reputation with the consuming public of 1-Tom-Plumber Units;

(f) We discover a material inaccuracy in any of your representations in this Agreement or in any application you submitted to us to become a franchisee, or make materially false statements to us or any of our Affiliates;

(g) You underreport Gross Sales for any calendar quarter or calendar year (i) by two percent or more at least three times in any 36-month period, or (ii) by at least five percent for any Reporting Period or calendar year;

(h) You maintain false books or records or submit materially false reports to us or any of our Affiliates, including submission of false tax returns and forms or you have collected from customers for taxes and fail to turn over such amounts, unless you are properly contesting your obligation to pay or the amount of taxes due;

(i) You fail to obtain our advance written permission when required under this Agreement;

(j) You breach any provision of this Agreement on three occasions within any 12-month period, with our having given you the required notice of the first two breaches (whether or not timely cured by you);

(k) You violate any of Sections (b), 0, 11, 0, 22, 23, 25, 26, or 27, or commit a breach which, by its nature, you cannot cure or with regard to which you notify us that you do not intend to cure;

(l) A court, administrative tribunal, health department having jurisdiction over the Franchised Unit or an independent laboratory determines that a preventable incident of illness is attributable to the Franchised Unit, and we determine in good faith that such incident resulted from your breach of System Standards or this Agreement;

(m) You operate the Franchised Unit, or allow the Franchised Unit to be used, in a manner that, in our sole discretion, in any way jeopardizes the safety or welfare of customers, the public or the Unit staff, violates applicable law, or is damaging or potentially damaging to the goodwill, reputation and good name of the Proprietary Marks and the 1-Tom-Plumber brand;

(n) You default under any indebtedness with an outstanding principal amount of at least \$100,000, such indebtedness is accelerated and you do not repay, refinance or cause the reversal of the acceleration of the indebtedness to restore its original payment terms within 30 days;

(o) You fail to either (1) gain our acceptance of your proposed Central Office site, and/or (2) open your Franchised Business with our authorization under Section 6(i) of this Agreement on or before the date specified for opening in Attachment A to the Franchise Agreement.

(p) Commencing with the period which follows the date which is 12 months after the Effective Date, you trigger the requirement to pay the minimum monthly Royalty Fee of \$3,000 on four (4) or more occasions in any twelve-month period; or

(q) You fail to complete the initial training to our satisfaction.

30. **TERMINATION BY US FOR CURABLE DEFAULTS.**

WE MAY TERMINATE THIS AGREEMENT IF YOU FAIL TO CURE ANY MONETARY DEFAULT AFTER AT LEAST FIVE BUSINESS DAYS' NOTICE OF THE MONETARY DEFAULT. WE MAY TERMINATE THIS AGREEMENT IF YOU FAIL TO CURE ANY NON-MONETARY DEFAULT AFTER AT LEAST 30 DAYS' NOTICE OF THE NON-MONETARY DEFAULT. A MONETARY DEFAULT MEANS YOUR FAILURE TO MAKE ANY PAYMENTS AS AND WHEN DUE TO US OR TO OUR AFFILIATES, OR TO MAINTAIN THE INSURANCE

REQUIRED UNDER THIS AGREEMENT. A NON-MONETARY DEFAULT MEANS (A) ANY DEFAULT IN THE PERFORMANCE OF ANY OF YOUR OTHER OBLIGATIONS UNDER THIS AGREEMENT OR ANY OTHER AGREEMENT WITH US OR OUR AFFILIATES, OTHER THAN THE FAILURE TO MAKE ANY PAYMENTS AS AND WHEN DUE TO US OR OUR AFFILIATES; OR (B) ANY CONDITION WHICH MAKES THE CONTINUED OPERATION OF THE FRANCHISED UNIT MORE LIKELY THAN NOT A DANGER TO PUBLIC HEALTH OR SAFETY.

IF YOU OR ANY OF YOUR OWNERS ENTER INTO MORE THAN ONE FRANCHISE AGREEMENT WITH US OR OUR AFFILIATES, ANY DEFAULT UNDER ANY SUCH FRANCHISE AGREEMENT SHALL CONSTITUTE A DEFAULT UNDER EACH SUCH AGREEMENT. WE MAY EXERCISE OUR RIGHTS AND REMEDIES UNDER ANY OR ALL SUCH AGREEMENTS, INCLUDING TERMINATION.

31. TERMINATION BY US FOR COMMERCIAL IMPRACTICABILITY.

THE PARTIES AGREE THAT THE COMMERCIAL PURPOSE OF THIS AGREEMENT IS FOR US TO LICENSE THE FRANCHISED SYSTEM SPECIFIED BY US TO YOU FOR USE IN OPERATING THE FRANCHISED UNIT STRICTLY IN ACCORDANCE WITH THE OPERATIONS MANUAL, IN EXCHANGE FOR PAYMENT OF THE FEES AND UNDER THE CONDITIONS SET FORTH IN THIS AGREEMENT. THIS AGREEMENT INTENDS FOR YOU TO CONTROL THE TERMS AND CONDITIONS OF EMPLOYMENT FOR THE EMPLOYEES OF THE FRANCHISED UNIT, AND TO SUPERVISE SUCH EMPLOYEES AS THEIR EMPLOYER, AS SET FORTH IN SECTION 38, WITHOUT CONSTITUTING US AS A JOINT EMPLOYER OF YOU OR YOUR EMPLOYEES. YOU ACKNOWLEDGE THAT WE ARE NOT IN THE BUSINESS OF OWNING AND OPERATING ANY FRANCHISED UNIT, AND YOU HAVE INDEPENDENTLY DECIDED TO ENTER INTO THIS AGREEMENT TO OBTAIN THE RIGHT TO USE THE FRANCHISED SYSTEM SO AS TO ENTER INTO THE TRADE AND BUSINESS CONTEMPLATED BY THE FRANCHISED SYSTEM. WE MAY TERMINATE THIS AGREEMENT BY WRITTEN NOTICE TO YOU WITHOUT PENALTY AND WITHOUT PAYMENT OF ANY REFUNDS OR DAMAGES TO YOU, AND YOU WILL FOLLOW YOUR POST-TERMINATION OBLIGATIONS UNDER SECTION 33 AT YOUR EXPENSE, IF WE DETERMINE IN OUR SOLE DISCRETION THAT EITHER (I) A LAW OR REGULATION IS ENACTED, PROMULGATED, REPEALED, MODIFIED OR AMENDED, (II) A JUDICIAL OR ADMINISTRATIVE TRIBUNAL OR ADMINISTRATIVE AGENCY HAS ISSUED, PUBLISHED OR RELEASED A DECISION, RULING OR OPINION IN A MATTER NOT INVOLVING THE PARTIES DIRECTLY OR INDIRECTLY THAT WE REASONABLY EXPECT WILL AFFECT APPLICABLE LAW OR ITS INTERPRETATION, OR (III) AN ADMINISTRATIVE AGENCY, ARBITRATOR OR JUDGE HAS ISSUED AN INTERIM OR FINAL DECISION IN A MATTER IN WHICH THE PARTIES ARE INVOLVED DIRECTLY OR INDIRECTLY, WHICH (A) FRUSTRATES OR ADVERSELY AFFECTS OR COULD REASONABLY BE EXPECTED TO AFFECT ADVERSELY THE PURPOSES OF THIS AGREEMENT, (B) MAKES PERFORMANCE OF THIS AGREEMENT COMMERCIALY IMPRACTICABLE, (C) EFFECTIVELY MODIFIES THE ALLOCATION OF RISK, BENEFITS AND BURDENS AGREED BY THE PARTIES, (D) DEPRIVES ANY PARTY OF ITS BENEFITS OF THE BARGAIN STRUCK BY THE PARTIES, AS ORIGINALLY SET FORTH IN THIS AGREEMENT, OR (E) DETERMINES THAT AN EMPLOYMENT OR A JOINT EMPLOYMENT RELATIONSHIP EXISTS BETWEEN US AND YOU.

32. CERTAIN WAIVERS.

(a) You and we waive the right to pursue and receive any exemplary and punitive damages against the other party in any dispute arising under this Agreement or relating to the franchise

relationship, whether asserted as a related or independent tort, as a breach of contract, or as any other claim or cause of action based on constitutional, statutory or common law.

(b) THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL IN ANY ACTION RELATED TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE FRANCHISOR, THE FRANCHISEE, ANY GUARANTOR, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.

33. OBLIGATIONS UPON TERMINATION OR EXPIRATION.

Upon the termination or expiration of this Agreement for any reason, all of your rights under this Agreement will immediately terminate and you shall:

(a) Comply with Continuing Obligations. Immediately comply with all post-termination obligations under this Agreement, including without limitation the non-competition, non-solicitation, confidentiality, and indemnification obligations contained in Sections 11, 12, 35, and any other obligations that expressly survive termination or which by their nature are intended to survive termination.

(b) Payment of Outstanding Amounts. Promptly pay us and our Affiliates all amounts then due and owing under this Agreement or any other agreement with us or our Affiliates.

(c) Cessation of Use of System and Marks. Immediately cease using the Franchised System and any Proprietary Marks, Intellectual Property, or other proprietary materials, and you shall not thereafter use or adopt any marks, trade names, service marks, logos, or other designations that are confusingly similar to the Proprietary Marks.

(d) Removal of Branding. Remove from the Franchised Unit and all Vehicles all signs, emblems, displays, wraps, decals, uniforms, or other materials bearing any Proprietary Marks or identifying the Franchised Unit or Vehicles as associated with the Franchised System.

(e) Return of Proprietary Materials. Immediately cease using and return to us all copies of the Operations Manual and all other proprietary or confidential materials provided to you under this Agreement, including training materials, system documentation, and any other materials designated as confidential or proprietary.

(f) De-Identification of Premises and Vehicles. Change the exterior and interior design and décor of the Franchised Unit and Vehicles and make all modifications to signs, buildings, structures, and other identifying features as we direct so that the Franchised Unit and Vehicles are unmistakably differentiated from locations and vehicles operating under the Franchised System.

(g) No Holding Out. Immediately cease holding yourself out as our franchisee or as having any present relationship with us or the Franchised System, except as may be expressly authorized under a separate written agreement.

(h) Transfer of Communication and Digital Assets. Transfer to us or our designee all telephone numbers, telephone listings, domain names, websites, social media accounts, online listings, and other digital or communication assets used in connection with the Franchised Unit or that contain, display, or reference any Proprietary Marks or Intellectual Property.

(i) Completion of Post-Termination Obligations. Complete all actions required under this Section within thirty (30) days following termination or expiration of this Agreement, unless we direct otherwise in writing.

(j) Attorney-in-Fact Authority. If you fail to complete any of the actions required under this Section within the required time period, or if you indicate that you do not intend or are unable to comply, you hereby irrevocably appoint us as your attorney-in-fact, coupled with an interest, to perform such acts on your behalf and for your account.

(k) Reimbursement of Enforcement Costs. You agree to reimburse us for all costs and expenses we incur in exercising the authority granted under subsection (j), including without limitation administrative overhead, employee time, legal fees, and other expenses associated with completing the required modifications, removals, or transfers.

Additionally, you acknowledge that the parties cannot determine the exact amount of damages resulting from termination prior to the expiration of a Term. If this Agreement terminates for any reason other than our material breach and our failure to cure the breach within a reasonable time after you give us written notice of the breach but not less than 60 days, then in addition to any and all other remedies and causes of action available to us, you will pay us Liquidated Damages in addition to amounts due to us accruing under this Agreement prior to termination. You and we agree that Liquidated Damages as defined herein is a reasonable estimate of the actual damages which we will sustain as a result of the termination and is not a penalty. Payment of Liquidated Damages will constitute neither a waiver of your obligation to comply with the foregoing post-termination requirements nor a license to use the Franchised System.

34. **INJUNCTIVE RELIEF.**

ANY PARTY HAS THE RIGHT IN A SITUATION WHERE THERE IS AN IMMINENT THREAT OF HARM TO THE LEGAL RIGHTS OF A PARTY AND DAMAGES WOULD NOT BE ADEQUATE RELIEF TO SEEK A TEMPORARY RESTRAINING ORDER AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. YOU ACKNOWLEDGE THAT MONEY DAMAGES MAY NOT BE SUFFICIENT TO COMPENSATE US FOR THE IRREPARABLE HARM CAUSED BY LOSS OF CERTAIN RIGHTS, PROPERTY, BENEFITS AND PRIVILEGES RESERVED TO US UNDER THIS AGREEMENT AS A RESULT OF YOUR BREACH OF THIS AGREEMENT, INCLUDING WITH LIMITATION YOUR BREACH OF SECTIONS 5(L), 6(I), (C), (D), (H), 9, 11, 0, 13, 15, 22, 23, 27, AND 33. IF YOU BREACH OR WE REASONABLY ANTICIPATE THAT YOU MAY BREACH ANY OF THESE PROVISIONS OR ANY OTHER PROVISION OF THIS AGREEMENT, THEN YOU COVENANT, ACKNOWLEDGE AND AGREE THAT WE HAVE THE RIGHT TO SEEK AND OBTAIN INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE, OBSERVE AND PRESERVE THE TERMS, CONDITIONS AND PROCEDURES SPECIFIED IN THIS AGREEMENT WITHOUT POSTING ANY BOND OR SECURITY. IF THE COURT SHALL REQUIRE BOND OR SECURITY, YOU AGREE THAT THE PRINCIPAL SUM OF \$1,000 POSTED AS A BOND OR SECURITY IS SUFFICIENT. THIS COVENANT IS INDEPENDENT, SEVERABLE AND ENFORCEABLE NOTWITHSTANDING ANY OTHER RIGHTS OR REMEDIES THAT ANY PARTY MAY HAVE.

35. **INDEMNIFICATION BY FRANCHISEE.**

(a) **INDEMNIFIED EVENTS.**

You will, at all times, indemnify and hold harmless to the fullest extent permitted by law, us, our parent entity (member), our Affiliates, the respective shareholders, members, directors, officers, employees, agents and representatives of each of them, and their respective successors and assigns, from all Losses and Expenses incurred in any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:

1. Warranty claim resolutions relating to your Plumbing Services;
2. Your infringement, alleged infringement or any other violation or alleged violation of any trademark, copyright, patent, or other proprietary right owned or controlled by third parties;

3. Your violation, breach or alleged violation or breach (i) of any contract, federal, state or local law, regulation, ruling, standard or directive or (ii) arising out of your business activities hereunder;

4. Libel, slander or any other form of personal injury by you or arising out of your business activities hereunder;

5. Your violation or breach of any warranty, representation, agreement or obligation in this Agreement, including without limitation your obligation to obtain and maintain insurance, and to perform your in-term and post-term obligations; or

6. Acts, errors or omissions of you or any of your agents, servants, employees, contractors, Owners, partners, Affiliates or representatives.

(b) **NOTICE OF CLAIMS.**

You will give us notice of any such action, suit, proceeding, claim, demand, inquiry or investigation. At your expense and risk, we may elect to assume (but under no circumstance is obligated to undertake), the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish your obligations under this Section.

(c) **RISK OF LOSS.**

All Losses and Expenses incurred under this Section shall be chargeable to and paid by you as your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity or defense.

(d) **NO ASSUMPTION OF LIABILITY.**

The Persons or parties indemnified do not assume any liability whatsoever for acts, errors, or omissions of those with whom Franchisee may contract, regardless of the purpose. Franchisee's hold harmless and indemnity obligation shall include all Losses and Expenses that may arise out of any acts, errors or omissions of these third parties.

(e) **REMEDIAL ACTION.**

In order to protect Persons or property, or its reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we, in our Reasonable Business Judgment deem appropriate, order, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to any action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to believe that:

7. Any of the acts or circumstances enumerated in this Section have occurred;

or

8. Any act, error or omission of yours may result directly or indirectly in damage, injury or harm to any Person or any property.

(f) **SURVIVAL.**

This Section shall survive expiration or earlier termination of this Agreement without regard to the cause of termination.

36. **FORCE MAJEURE.**

IF AN ACT OF NATURE PREVENTS A PARTY FROM PERFORMING ANY OBLIGATION UNDER THIS AGREEMENT DESPITE THE PARTY'S EXERCISE OF REASONABLE DILIGENCE, THE ACT OF NATURE WILL TOLL THE DUE DATE FOR THE PERFORMANCE OF THAT OBLIGATION FOR THE DURATION OF THE ACT OF NATURE AND FOR A REASONABLE TIME THEREAFTER. NO FORCE MAJEURE SHALL EXCUSE THE TIMELY PAYMENT OF AMOUNTS DUE UNDER THIS AGREEMENT. SHOULD THE FRANCHISED UNIT CLOSE FOR ANY REASON RELATING TO NATURAL DISASTER, ACCIDENT OR OTHER UNFORESEEABLE EVENTS, YOU WILL VIGOROUSLY PURSUE REOPENING AT THE SAME OR A NEW LOCATION IN THE OPERATING AREA THAT WE FIRST APPROVE. IF YOU HAVE NOT RESUMED OPERATIONS WITHIN 180 DAYS AFTER CLOSING, WE MAY TERMINATE THIS AGREEMENT WITHOUT PENALTY TO YOU SO LONG AS YOU HAVE PAID US A ROYALTY ON YOUR BUSINESS INTERRUPTION INSURANCE PROCEEDS AND HAVE NOT BREACHED THE COVENANTS IN SECTION 11.

37. **RELATIONSHIP OF PARTIES.**

(a) **LIMITATIONS.**

Neither this Agreement nor the performance of the obligations set forth in this Agreement will operate to make you our partner or agent. Neither party will have the authority to act or contract on behalf of the other. Neither party will have any responsibility for the obligations of the other party. The relationship created by this Agreement is that of an independent contractor, and no fiduciary relationship is created or intended. You must indicate clearly the independent ownership of your business in all public records and in all of your dealings with third parties.

(b) **FRANCHISOR'S RESERVED RIGHTS.**

Whenever we reserved in this Agreement a right to take or withhold an action, or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our rights, on the basis of the information readily available to us and our judgment of what is in our best interests and/or in the best interests of the our franchise network, at the time the decision is made, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by us; (ii) our decision or action will promote our financial or other individual interest; (iii) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (iv) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties acknowledge that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

(c) **REASONABLE BUSINESS JUDGMENT.**

You and we agree that we may use our Reasonable Business Judgment in the exercise of our rights, obligations and discretion under this Agreement except where otherwise indicated. "Reasonable Business Judgment" means that our determination shall prevail even in cases where other alternatives are also reasonable so long as we intend to benefit or its actions or omissions could benefit the Franchised System. Examples of benefits to the Franchised System would include, without limitation, protecting or enhancing the value of the Proprietary Marks, promoting economic efficiency or gain for the Franchised System Units, increasing customer satisfaction, increasing brand identification, or minimizing possible customer brand or location confusion. We shall not be required to consider your particular economic or other circumstances

when exercising our Reasonable Business Judgment. At no time are you or any third party (including, but not limited to other franchise owners or any trier of fact) entitled to substitute your or its judgment for a judgment, which has been made by or on behalf of us which meets the definition of Reasonable Business Judgment. You and we agree that the long-term goals of a franchise system, and the long-term interests of both us and all the franchisees, taken together, require that we have the latitude to exercise our Reasonable Business Judgment.

(d) **TIME.**

Time is of the essence of this Agreement.

38. **EMPLOYMENT DECISIONS.**

YOU HAVE AND WILL CONTINUE TO HAVE SOLE RESPONSIBILITY FOR RECRUITMENT, SELECTION, TRAINING, SUPERVISION, DISCIPLINE AND TERMINATION OF YOUR EMPLOYEES, ALL ACTS AND OMISSIONS OF YOUR EMPLOYEES, AND ALL EMPLOYMENT RELATED DECISIONS INVOLVING COMPENSATION, BENEFITS, HOURS OF WORK, SCHEDULING, RECORD KEEPING, AND ALL OTHER TERMS AND CONDITIONS OF EMPLOYMENT.

39. **HOLIDAYS.**

IF THE DUE DATE FOR ANY PAYMENT OF FUNDS UNDER THIS AGREEMENT FALLS ON A LEGAL HOLIDAY, THE DUE DATE FOR THE PAYMENT WILL EXTEND UNTIL THE NEXT BUSINESS DAY.

40. **ENTIRE AGREEMENT.**

THIS AGREEMENT (INCLUDING ALL ATTACHMENTS, EXHIBITS AND SCHEDULES) CONSTITUTES THE ENTIRE AGREEMENT OF THE PARTIES WITH REGARD TO THE SUBJECT MATTER OF THIS AGREEMENT AND REPLACES AND SUPERSEDES ALL OTHER PRIOR WRITTEN, ELECTRONIC AND ORAL AGREEMENTS AND STATEMENTS OF THE PARTIES RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT. NEITHER PARTY IS RELYING ON ANY WRITING TO ENTER INTO THIS AGREEMENT OTHER THAN AS SET FORTH IN THIS AGREEMENT AND THE FRANCHISE DISCLOSURE DOCUMENT DELIVERED TO YOU. THIS AGREEMENT SHALL SUPERSEDE AND BE CONTROLLING IN THE EVENT OF ANY CONFLICT BETWEEN THE FRANCHISE DISCLOSURE DOCUMENT (INCLUDING ITEMS 1 THROUGH 22 AND THE EXHIBITS) YOU OR YOUR OWNERS RECEIVED AND THIS AGREEMENT.

41. **DISCLAIMER LIMITATION.**

NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS AGREEMENT OR ANY OTHER AGREEMENT WITH US SHALL DISCLAIM OR REQUIRE YOU TO WAIVE RELIANCE ON ANY REPRESENTATION THAT WE MADE IN THE MOST RECENT FRANCHISE DISCLOSURE DOCUMENT (INCLUDING ITS EXHIBITS AND AMENDMENTS) THAT WE DELIVERED TO YOU OR YOUR REPRESENTATIVE, SUBJECT TO ANY AGREED-UPON CHANGES TO THE CONTRACT TERMS AND CONDITIONS DESCRIBED IN THAT FRANCHISE DISCLOSURE DOCUMENT AND REFLECTED IN THIS AGREEMENT (INCLUDING ANY RIDERS OR ADDENDA SIGNED AT THE SAME TIME AS THIS AGREEMENT).

42. **APPROVALS AND WAIVERS.**

YOU MUST REQUEST ANY PRIOR APPROVAL OR CONSENT REQUIRED UNDER THIS AGREEMENT FROM US BY MEANS OF A TIMELY WRITTEN REQUEST. ANY SUCH APPROVAL OR CONSENT MUST BE OBTAINED IN WRITING. NO DELAY, WAIVER,

OMISSION OR FORBEARANCE ON OUR PART TO EXERCISE ANY RIGHT, OPTION, DUTY OR POWER ARISING OUT OF ANY BREACH OR DEFAULT BY YOU UNDER THIS AGREEMENT SHALL CONSTITUTE A WAIVER BY US TO ENFORCE ANY RIGHT, OPTION, DUTY OR POWER AS AGAINST YOU, OR SHALL APPLY AS TO SUBSEQUENT BREACH OR DEFAULT BY YOU. SUBSEQUENT ACCEPTANCE BY US OF ANY PAYMENTS DUE TO US HEREUNDER SHALL NOT BE DEEMED TO BE A WAIVER BY US OF ANY PRECEDING BREACH BY YOU OF THIS AGREEMENT. THE FAILURE OF A PARTY TO INSIST IN ANY ONE OR MORE INSTANCES ON THE PERFORMANCE OF ANY TERM OR CONDITION OF THIS AGREEMENT WILL NOT OPERATE AS A WAIVER OF ANY FUTURE PERFORMANCE OF THAT TERM OR CONDITION.

43. NOTICE.

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, WHEN THIS AGREEMENT REQUIRES NOTICE, THE SENDING PARTY MUST DELIVER OR ADDRESS THE NOTICE TO THE OTHER PARTY BY CERTIFIED MAIL, TELECOPY, OR DELIVERY SERVICE WITH RECEIPTED DELIVERY, OR BY ELECTRONIC MAIL FOLLOWED BY TRANSMITTAL OF THE ORIGINAL BY FIRST CLASS UNITED STATES MAIL, TO THE FOLLOWING ADDRESS OR TELECOPY NUMBER:

Us: 1 Tom Plumber Global LLC
6700 Forum Dr, Ste 150
Orlando, Florida 32821-8013

You: See "Attachment A – Transaction Details"

All notices will be deemed delivered and received if transmitted to the proper address on the earlier of (a) the date that the other party receives or refuses delivery of the notice or (b) three business days after the party places the notice in the United States mail, first class postage prepaid. Each party may change the party's address by giving written notice to the other party.

36. CUMULATIVE RIGHTS.

No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The parties retain all rights and remedies available at law or in equity.

37. SURVIVAL.

The provisions of this Agreement which, by their terms, survive the termination or expiration of this Agreement will survive the termination or expiration of this Agreement for any reason.

38. GOVERNING LAW.

This Agreement shall be governed by the laws of FLORIDA (without regard to any conflicts of law principles).

39. DISPUTE RESOLUTION.

(a) Internal Dispute Resolution. Franchisee must first bring any claim or dispute between Franchisor and Franchisee to Franchisor's management and make every effort to resolve the dispute internally. Franchisee must first exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third-party. This agreement to internally resolve disputes will survive termination or expiration of this Agreement.

(b) Mediation. At Franchisor's option, all claims or disputes between Franchisee and

Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 47(a) above, will be submitted first to mediation to take place in the city and state of our then-current National Headquarters (presently Orlando, Florida), under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. 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. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such 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. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 6.3(b) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

(c) Except for any third party dispute in which the parties may be involved subject to Section 35, the proper, sole and exclusive venue and forum for any action arising out of or in any way related to this Agreement shall in the federal and state court districts in which we then have our principal place of business. As of the Effective Date, the proper venue is in the United States District Court for the Middle District of Florida and Orange County, Florida. Each party to this Agreement hereby consents to any of those courts' exercise of personal jurisdiction over the party in that type of action and expressly waives all objections the party otherwise might have to that exercise of personal jurisdiction.

40. **LEGAL FEES.**

You will reimburse us for our outside and inside attorneys' fees and costs related to arbitration or legal action to enforce this Agreement, in addition to any other relief obtained by us.

41. **CONSTRUCTION.**

The rule of construction requiring the resolution of any ambiguities in this Agreement against the drafting party will not apply to the construction of this Agreement.

42. **SEVERABILITY.**

If any provision of this Agreement (other than Section 5) is held to be invalid or ineffective with respect to any Person or circumstance, the holding will not affect the remainder of this Agreement or the application of this Agreement to any other Person or circumstance.

43. **COUNTERPARTS.**

The parties may execute this Agreement in counterparts, each of which will constitute an original and all of which, when taken together, will constitute one and the same instrument.

44. **AMENDMENT.**

No amendment to this Agreement will become effective or binding on the parties, unless it is in writing and signed by all of the parties; provided, that we may modify or change the Franchised System or Operations Manual unilaterally at any time, effective 30 days after notice of the change or modification is sent to you, unless health and safety concerns compel us to provide a shorter notice period.

45. **THIRD PARTY BENEFICIARIES.**

Except for the benefits reserved for our parent and our Affiliates, there are no third party beneficiaries for this Agreement.

46. **DEFINITIONS.**

Unless the context of their use in this Agreement requires otherwise, the following words and phrases have the following meanings when used in initially-capitalized form in this Agreement.

(a) 1-Tom-Plumber Unit or the Unit means a Unit operating under the Franchised System using 1-Tom-Plumber name and mark, or such other name and mark as we may specify under the Operations Manual, as amended.

(b) Affiliate means (1) any Person who Controls, is Controlled by, or is under common Control with a Person, and (2) any Owner of any Person.

(c) Central Office means the address identified in Attachment A as the site from which you operate your Franchised Unit.

(d) Competing Business means any business that (i) offers for sale Plumbing Services; or (ii) in its entirety so resembles the trade dress, service style and products that comprise the distinguishing features of the Franchised System so as to create a likelihood of consumer confusion or dilution of the Proprietary Marks.

(e) Confidential Information means any trade secrets we own or protect and other proprietary information not generally known to the plumbing services industry including confidential portions of the Operations Manual and information we otherwise impart to you and your representatives in confidence. Confidential Information includes product and service instructions, product and service preparation instructions, proprietary software and other valuable property.

(f) Control means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or governance rights, by contract, or otherwise.

(g) DMA means a Designated Market Area, as defined by Nielsen Media Research or its successors in interest from time to time. We may designate a substitute independent source for providing the boundaries of a single television advertising market in the Operations Manual.

(h) Effective Date means the date we enter immediately below our signature block on this Agreement as the date on which you and we are legally bound under this Agreement, provided that if no such date is entered, then the Effective Date shall be the date on which we execute and deliver this Agreement.

(i) Franchised System means the distinctive, unique and Proprietary Marks and trade dress, products, presentation styles and services, know-how, methods of operation, identification, décor, furnishings, equipment, training, service, production, technology, marketing, advertising, promotion and development that we may designate in written or electronic form or through usage from time to time that define and distinguish a Unit, including (without limitation) (1) plans and specifications for interior and exterior signs, designs, layouts and color schemes; (2) methods, techniques, formats, systems, product and service preparation instructions, specifications, procedures, information, trade secrets, sales and

marketing programs; (3) methods of business operations and management; (4) System Standards; (5) the Operations Manual; and (6) knowledge and experience regarding the operation and franchising of 1-Tom-Plumber Units.

(j) Franchised Unit or Unit means the 1-Tom-Plumber Unit you establish and operate at the Central Office. Franchised System Units or Units means all Units authorized to use the Franchised System.

(k) General Manager means the on-premises manager who will be primarily responsible for the day-to-day operation and supervision of the Franchised Unit.

(l) Gross Sales means the aggregate amount of revenues generated from the sale of Plumbing Services, goods, products, and merchandise received by you. Gross Sales are reduced by the amount of any discount given to customers, or to employees or their family members if taken at the time of sale so that the purchaser pays an amount net of the discount. Gross Sales also excludes the following: (i) the amount of returns, credits, allowances, and adjustments; (ii) the amount of taxes collected and paid over to taxing authorities; (iii) the amount of any shipping, freight, or similar expense charged to customers; (iv) proceeds from insurance with respect to property damage or liability; (v) proceeds from any civil forfeiture, condemnation, or seizure by governmental entities; and (vi) uncollectible amounts and subsequent collections of charged off amounts must be included in Gross Sales when they are collected.

(m) Intellectual Property means the Proprietary Marks, patents, copyrights, copyrightable material, ideas, concepts, inventions, know-how, trade secrets, Confidential Information, and other proprietary information that we designate in written or electronic form or through usage from time to time as part of or prescribed for use with the Franchised System.

(n) Liquidated Damages means the present value of combined Royalty Fee, Population Fee, and Brand Fund Contribution for the unexpired portion of the Term, based on your average monthly Royalty Fee and Brand Fund Contribution payable during the one-year period preceding termination; assuming payment at the end of each month in the period, using monthly compounding at the discount rate equal to the sum of (i) the Applicable Federal Rate published by the Internal Revenue Service for the period ending closest to the end of the Term, plus (ii) 200 basis points.

(o) Losses and Expenses means, without limitation, all losses, compensatory, exemplary or punitive damages, penalties, fines, charges, costs and expenses of investigation, defense and resolution, lost profits, attorneys' fees, court costs, settlement amounts, judgments, compensation for damages to our and our Affiliates' reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matter described.

(p) National Account Partners means clients designated by us for whom Plumbing Services are performed or to be performed by us, our licensees or franchisees, at locations both within and outside the Operating Area.

(q) Opening Date means the date on which you open your Franchised Unit for business, after receiving our consent to open.

(r) Operating Area means the geographic area described on Attachment A.

(s) Operations Manual means the manual or collection of materials in written or electronic form which we designate from time to time as containing the System Standards, specifications, procedures, policies, methods of operating the Franchised Unit, other elements of the Franchised System and any information designated in this Agreement for inclusion or modification in the Operations Manual.

(t) Owner means any Person that holds a direct or indirect equity ownership interest (including beneficial and record interests) in you.

(u) Owner-Operator means the Owner who has a significant equity ownership position in you (if you constitute a business entity) of at least 5%, as you designate in writing to us in Attachment A or otherwise.

(v) Person means any individual or business entity, including (without limitation) corporation, joint venture, general partnership, limited partnership, limited liability company, or trust.

(w) Plumbing Services means the design, installation, re-construction, replacement, service, repair, alteration, or modification of pipes and fixtures and drain cleaning for commercial and residential properties; and shall not include any new construction unless Franchisee obtains Franchisor's prior written consent prior to engaging in such Plumbing Services.

(x) Materials means, collectively, any products, supplies, apparel, equipment, and any other merchandise or property that you must use or sell to operate the Franchised Unit in accordance with the Franchised System.

(y) Proprietary Marks means the registered and unregistered distinctive and characteristic trade names, domain names, trademarks, service marks, logotypes, and trade dress elements that we designate in written or electronic form or through usage from time to time as prescribed for use with the Franchised System.

(z) Reporting Period means each calendar month. Our fiscal year typically ends on December 31. We may change the Reporting Period by amending the Operations Manual.

(aa) System Standards means the standards for the Franchised Unit and using the Franchised System published in the Operations Manual and elsewhere, including but not limited to standards for design, furnishings, fixtures and equipment, use and display of the Proprietary Marks, operations, technology and any other standards, policies, rules and procedures we promulgate about Franchised System operation and usage.

(bb) Vehicle means a vehicle you purchase or lease for the purpose of adapting it to the System Standards and using it in the operation of a Franchised Unit.

47. **YOUR REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS.**

You represent and warrant, and acknowledge to us as follows:

(a) **INDEPENDENT INVESTIGATION.**

You have conducted an independent investigation of the business contemplated by this Agreement and recognize that it involves substantial business risks, making the success of the venture largely dependent on your management skills and resources. You have not received from us or our Affiliates, and have not relied upon, any oral or written, express or implied projection, representation, warranty or guarantee regarding the potential sales, revenues, income, profits or success of the business venture contemplated by this Agreement. You have had the opportunity to consult with independent advisors of your own selection such as a lawyer or accountant before making your decision to sign this Agreement and develop and operate a Unit.

(b) **THIS TRANSACTION.**

You and the Persons signing this Agreement for you have full power and authority and have been duly authorized, to enter into and perform or cause performance of your obligations under this Agreement. You have obtained all necessary approvals of your Owners, governing board and lenders. No executory franchise, license or affiliation agreement for the Central Office exists other than this Agreement. Attachment A accurately states your Owners. Your execution, delivery and performance of this Agreement

will not violate, create a default under or breach of any charter, bylaws, agreement or other contract, license, permit, indebtedness, certificate, order, decree or security instrument to which you or any of your Owners is a party or is subject or to which the Central Office is subject. Neither you nor the Central Office is the subject of any current or pending merger, sale, dissolution, receivership, bankruptcy, foreclosure, reorganization, insolvency, or similar action or proceeding on the date you execute this Agreement and was not within the three years preceding such date, except as disclosed in your franchise application. To the best of your knowledge, neither you, your Owners, your officers, directors, contractors, or employees or anyone else affiliated or associated with you, whether by common ownership, by contract, or otherwise, has been designated as, or are, a terrorist, a “Specially Designated National” or a “Blocked Person” under U.S. Executive Order 13224, in lists published by the U.S. Department of Treasury’s Office of Foreign Assets Control, or otherwise.

(c) **NO MISREPRESENTATIONS OR IMPLIED COVENANTS.**

All written information you submit to us about the Central Office, you, your Owners, any guarantor, or the finances of any such Person or entity, was or will be at the time delivered and when you sign this Agreement, true, accurate and complete, and such information contains no misrepresentation of a material fact, and does not omit any material fact necessary to make the information disclosed not misleading under the circumstances. There are no express or implied covenants or warranties, oral or written, between we and you except as expressly stated in this Agreement.

(d) **NO GUARANTEES OF SUCCESS.**

We and our representatives have made or communicated to you no claims of assured or guaranteed success of the business contemplated by this Agreement prior to signing this Agreement. You voluntarily enter into this Agreement and undertake all the terms and conditions thereof without any such inducements, promises, or representations. Without limiting the foregoing, we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any representations, warranties or guarantees, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement, or as to the suitability of any selected or proposed Central Office as a successful location for the Franchised Unit. No assurances are given regarding that the franchisee will earn any return on their investment. You and your Owners acknowledge that (i) the investment in the Franchised Unit is not based on any assurance or warranty, either directly or indirectly, that the Unit will be profitable or successful, (ii) they are aware that regardless of the level of support provided by us and our Affiliates, the investment in the Unit franchise may fail, (iii) that no projections or earnings information, not included in the Franchise Disclosure Document has been received or relied upon prior to executing this Agreement.

(e) **UPDATING.**

You and your Owners acknowledge that market for Plumbing services is a highly competitive, innovative market that requires servicers to build, maintain and update the Franchised Unit to meet changing expectations of consumers. These updates may include changes in technology, merchandising, production methods, resource availability, governmental regulation of plumbing services, demographics, geography, and the customer experience that may require an additional investment, more operating costs, and other economic changes that could affect your business, profitability and method of operation. Routine maintenance and repairs to maintain the Unit to our Standards is not considered updating regardless of cost.

(f) **OTHER BUSINESSES AND CHANNELS OF DISTRIBUTION.**

We and our Affiliates reserve the right to acquire other businesses, merge or sell the 1-Tom-Plumber Franchised System or distribute 1-Tom-Plumber products or services through alternative channels of distribution without restriction.

(g) **OTHER TRANSACTIONS.**

We reserve the right to vary the 1-Tom-Plumber Unit franchise terms and conditions of offering among franchisees and others, which may affect fees payable to us, exclusive territorial rights, and other attributes of a 1-Tom-Plumber Unit franchise.

(h) **FEES.**

Fees that are paid to us by franchisees are not in exchange for the services we provide to franchisees. Those services are merely for the protection of the Intellectual Property licensed to franchisees and for no other reason. The fees compensate us for granting the license of the Intellectual Property to you for the Term and any period after its early termination when we cannot replace your Unit's presence in your market area.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement, intending to be legally bound, as of the Effective Date.

FRANCHISOR: 1 TOM PLUMBER GLOBAL, LLC

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

Name of Franchisee

(as set forth in Attachment A "Transaction Sheet")

By: _____

Print Name: _____

Title: _____

By: _____

Print Name: _____

Title: _____

ATTACHMENT A – TRANSACTION DETAILS

1. Effective Date:
2. Franchisee:
3. Guarantor(s):
4. Central Office of Franchised Unit:
5. Time to complete and open Franchised Unit: The earlier of: 120 days after the Effective Date, or 30 days after your completion of Initial Training.
6. Operating Area:
7. Population Fee:
8. Address and Contact Information of Franchisee:
9. Initial Franchise Fee:
10. Your Owners:

Name	Address	Telephone	Email	Percentage Ownership	Owner-Operator (X)

You represent and warrant to us that the above people are the only owners of Franchisee (must total 100%). Franchisee shall promptly notify Franchisor in writing of any change to the information contained in this Attachment A.

[For Transfers of Existing Units Only]

Upgrades Required.

ATTACHMENT A-1 - NOTICE OF UNIT CENTRAL OFFICE ACCEPTANCE

To:

From: 1 Tom Plumber Global LLC

Re: Acceptance of Proposed Unit Central Office

Date: _____, 20__

We refer to the Franchise Agreement dated _____, 20__ (the “Franchise Agreement”) between you and us for the development of a Franchised Unit to be located in the Operating Area defined therein.

You have submitted for our consideration and we have accepted as the location of the Franchised Unit the following address:

We designate this address as the Central Office of the Franchised Unit under the Agreement.

This Notice amends and supplements the Agreement to fix the Central Office and to use that Central Office as the origin of the Operating Area. No counter signature is necessary.

1 Tom Plumber Global LLC

By: _____

Title: _____

ATTACHMENT B - AUTHORIZATION FORM FOR ELECTRONIC FUNDS TRANSFER

The undersigned hereby authorizes 1 Tom Plumber Global, LLC, or any affiliated entity (collectively “Franchisor”), to initiate debit and/or credit entries to my account at the financial institution listed below, including but not limited to ACH debit entries for Royalty Fees, Marketing Fees, Software Fees, or any other amounts that become payable by the undersigned to Franchisor or for credits due by Franchisor to me. This authorization will remain in effect until I notify Franchisor in writing to cancel it. Please complete this form, attach a voided check and your current W9 (<https://www.irs.gov/pub/irs-pdf/fw9.pdf>), and return it to AP@eversmithbrands.com.

SECTION 1: ACCOUNT HOLDER INFORMATION

Tax ID Number:	
State of Business Registration:	
Franchisee Legal Name:	
Account Number(s) (if applicable):	
Franchisee Remittance Address:	
(Street Address, City, State, ZIP/Postal Code)	
Franchisee Contact Name (First and Last Name):	
Franchisee Contact Phone Number:	
Franchisee Contact Email Address:	

SECTION 2: AUTOMATED CLEARING HOUSE (ACH) INFORMATION

Type of Request:	New	Updated
Bank Routing Number:		
Account Number (for debits):		
Account Number (for credits):		
Vendor Name on Bank Account (Per W-9):		
Bank/Institution Name:		
Bank Contact Name:		

SECTION 3: AUTHORIZATION / CERTIFICATION

I certify that the information I provided is correct and that **I am an authorized signer or designate of the account provided above and am entitled to provide this authorization.** I (we) hereby authorize Franchisor to initiate credit or debit entries to the account and financial institution listed above. I (we) further authorize adjusting entries (reversals) solely to correct errors, if any. This authorization is to remain in full force and effect until Franchisor has received written notification from me (us) of its termination in such time and manner as to afford Franchisor and the depository financial institution a reasonable opportunity to act on it. I also acknowledge that it is my responsibility to ensure sufficient funds are available in the account for ACH debits, and that I will be charged a fee, presently \$55, for each return due to non-sufficient funds. I (we) authorize the financial institution shown above to confirm my (our) account information, including account name, number, and type. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law.

Signature:	Title:
Name:	Date:

ATTACHMENT C - GUARANTY AND RESTRICTION AGREEMENT

The undersigned owners (the “Guarantors”) of _____ (the “Franchisee”) enter into this Guaranty and Restriction Agreement (this “Guaranty”) as of the Effective Date.

1. **Guaranty of Obligations.** To induce 1 Tom Plumber Global LLC, its successors and assigns (“Franchisor”) to sign the Franchise Agreement (the “Franchise Agreement”) with the party named as the “Franchisee,” to which this Guaranty is attached, the undersigned, jointly and severally (the “Guarantors”) irrevocably and unconditionally (i) represent and warrant to Franchisor that Franchisee’s representations and warranties in the Agreement are true and correct as stated, and (ii) guaranty that Franchisee’s obligations under the Agreement, including any amendments and note, will be punctually paid and performed. Upon default by Franchisee and notice from Franchisor, the Guarantors will immediately make each payment and perform or cause Franchisee to perform, each unpaid or unperformed obligation of Franchisee under the Agreement. Without affecting any of Guarantor's obligations under this Guaranty, Franchisor may without notice to the Guarantors extend, modify or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee. The Guarantors waive notice of amendment of the Agreement. Upon the death of an individual Guarantor, the estate of the Guarantor will be bound by this Guaranty for obligations of Franchisee to Franchisor existing at the time of death, and the joint and several obligations of all other Guarantors will continue in full force and effect. This Guaranty may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one in the same instrument.

2. **Restrictions on Transfer of Equity Ownership of Franchisee.** The Guarantors will not transfer, assign or pledge any of their direct or indirect equity interests in the Franchisee to any person without the prior consent of the Franchisor, and acknowledge that Franchisor has rights of first refusal that apply to such transactions.

3. **Other Provisions.** The Guarantors, as owners of the Franchisee, acknowledge that this Guaranty and the Agreement inure to the benefit of the Franchisee and to the undersigned. The Guarantors expressly adopt, ratify, incorporate into this Guaranty, and agree to be bound individually by the following provisions of the Agreement as if they were parties to such Agreement: Sections 11 (Covenants Not to Compete); 0 (Confidential Information); 22 (Assignment); 23 (Right of First Refusal); 24 (Business Entity Franchisee); 32 (Certain Waivers); 33 (Resolution of Disputes); 23 (Our Option to Purchase); 38 (Governing Law); 39 (Dispute Resolution); and 40 (Legal Fees).

Executed and delivered as of the Effective Date.

PERSONAL GUARANTORS

Name, Individually

Name, Individually

Address, City, State, Zip

Address, City, State, Zip

Telephone

Telephone

**ATTACHMENT D – MANAGEMENT CONFIDENTIALITY AND NON-COMPETITION
AGREEMENT**

The undersigned 1-Tom-Plumber Unit managerial employee (“Employee”), in consideration of the access to training and confidential information he or she has received or will receive from 1 Tom Plumber Global LLC, an Ohio limited liability company, and/or its affiliates (collectively, the “Company”) in connection with Employee’s employment with the Company’s franchisee named below (the “Franchisee”), hereby covenants and agrees as follows:

1. Definitions. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned to that term in the Franchise Agreement, including its addenda and amendments, between the Company and Franchisee, dated _____, 20__.

2. Confidentiality Agreement. Employee acknowledges that, while employed by the Franchisee, Employee has and will receive certain confidential information and knowledge concerning business of the Company which the Company wishes to protect, including (without limitation) information, knowledge, know-how, product and service instructions, product and service preparation instructions, formulae, materials, equipment, techniques, systems, and other data relating to or comprising 1-Tom-Plumber franchise system. Confidential information includes the Operations Manual and other materials and information supplied by Company to the Franchisee that is identified as confidential at the time of disclosure or before. Employee shall not reveal that confidential information to any other party, except the Company’s or the Franchisee’s independent public accountants, Employee’s legal counsel (if that counsel also agrees to maintain the confidentiality of the confidential information), or as otherwise required by law. Employee shall not use or disclose the confidential information at any time for the purpose of competition with the Company, its successors and assigns, or Franchisee. When Employee’s employment with Franchisee terminates for any reason, the Employee promptly shall surrender to Franchisee all papers, documents, writings and other property, electronic or otherwise, produced by Employee or coming into Employee’s possession by or through Employee’s employment with the Franchisee containing confidential information or related in any way to confidential information. All of the foregoing materials shall remain the property of the Company, its successors, or its assigns.

3. Covenant Not to Compete. During the term of Employee’s employment with the Franchisee and for a period of 24 months after the end of Employee’s employment with the Franchisee regardless of which party ends the employment relationship and regardless of the reason why the employment relationship ends, Employee shall not engage in, directly or indirectly as a principal, agent, trustee, employee, consultant, independent contractor or through any corporation, partnership, association, or other entity, a Competing Business at any location within the Operating Area of the 1-Tom-Plumber Unit location at which Employee worked, or within fifty (50) miles of that Operating Area, or within the operating area of any then-existing 1-Tom-Plumber Unit location..

4. Indemnification and Injunctive Relief. Employee shall indemnify and hold the Company and the Franchisee harmless against any losses, damages, costs, expenses, claims or actions, including attorneys’ fees and costs, proximately caused by any breach of this Agreement by Employee. Employee shall pay to the Company any compensation, profits or economic benefits realized by the Employee resulting from any breach of this Agreement. The Company shall have the right to injunctive and other equitable relief prohibiting the Employee from any violation or threatened violation of this Agreement, without posting any bond or security. Employee acknowledges that the restrictions in this Agreement are reasonable and necessary to protect the legitimate business interests of the Franchisee, and that the violation of the foregoing restrictions will lead to immediate and irreparable harm, for which injunctive relief is necessary.

5. Governing Law. The laws of Florida shall govern this Agreement.

6. Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter of this Agreement and replaces and supersedes all other written and oral agreements and statements of the parties relating to the subject matter of this Agreement.

7. Limitations. This is not a contract of employment and this creates no employment relationship between Employee and the Company. Employee is not a third party beneficiary of any contract between the Company and the Franchisee. Franchisee remains the sole employer of Employee and is solely responsible for the recruitment, selection, training, supervision, compensation, benefits, insurance, worker's compensation, discipline and termination of Employee. During any period of on the job training of Employee by the Company, Franchisee shall remain the sole employer of Employee and shall be responsible for controlling all aspects of Employee's employment.

Executed and delivered this on _____ (date).

Employee:

Signature

Printed Name

Franchisee: _____

By: _____

Title: _____

ATTACHMENT E – LEASE RIDER

This “Lease Rider” is made and entered into as of _____, 20__ by and among 1 Tom Plumber Global LLC, an Ohio limited liability company (“Franchisor”), _____, a _____ (“Tenant/Operator”) and _____, a _____ (“Landlord”).

Recitals. Tenant/Operator and Landlord desire to enter into a lease (the “Lease”) pursuant to which Tenant/Operator will occupy and finish the premises located at _____ (the “Premises”) for use and operation of 1-Tom-Plumber Central Office (the “Central Office”) authorized under a Franchise Agreement to be executed between Franchisor and Tenant/Operator prior to the opening of the Central Office (the “Franchise Agreement”). As a condition to Franchisor’s approval of the Premises as the location for the Central Office, the Tenant/Operator is required under the Franchise Agreement to execute this Lease Rider along with the Landlord and Franchisor;

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

(1) During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Central Office.

(2) Landlord consents to Tenant/Operator’s use and display of such proprietary marks (the “Proprietary Marks”) and signs, decor items, color schemes, plans, specifications and related components of 1-Tom-Plumber Franchised System (the “System”) as Franchisor has prescribed, and may in the future prescribe, for the Central Office. Landlord affirms that the Lease does not prohibit the service of any product items or services of the current System, based on the product and service information provided to Landlord.

(3) Landlord agrees to send Franchisor conformed, legible copies of any and all letters and notices sent to Tenant/Operator pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant/Operator.

(4) Franchisor shall have the right, and Landlord consents to allow Franchisor, to enter the Premises during hours when the Premises is available for tenant entry to make any modification or alteration necessary to protect the Central Office, the System and Proprietary Marks or to cure any default under the Franchise Agreement, or under the Lease, without being guilty of trespass or any other crime or tort.

(5) In the event of Tenant/Operator’s default under the Lease, Franchisor may, but has no obligation, to cure the default. Franchisor shall make this determination within thirty (30) days after Franchisor receives notice of the Lease default from Landlord. If Franchisor elects to cure the default, Franchisor shall cure the default within thirty (30) days of such election or, if the default cannot be reasonably cured within such thirty (30) day period, then Franchisor shall commence and proceed to act diligently to cure the default within such time as is reasonably necessary to cure the default.

(6) Franchisor has an option to acquire the Central Office from Tenant/Operator if the Franchise Agreement expires or terminates. If Franchisor exercises the option, it will notify Landlord when it notifies Tenant/Operator. If Franchisor so exercises its option, or makes a different arrangement with Tenant/Operator to acquire the Central Office, then Landlord shall permit Tenant/Operator to assign the Lease to Franchisor or to Franchisor’s affiliated assignee or designee as successor in interest (“Successor”) to Tenant/Operator, which shall be obligated to assume Tenant/Operator’s obligations under the Lease. Successor shall attorn to Landlord under the Lease and Landlord shall attorn to and agree not to disturb the tenancy of Successor. In such event Successor shall assume Tenant/Operator’s occupancy rights, rights

under any succession or purchase options, and the right to sublease the Premises, for the remainder of the term of the Lease including any applicable succession periods.

(7) Landlord hereby consents to such assignment and agrees not to impose or assess any assignment fee or similar charge or increase or accelerate rent under the Lease in connection with such assignment, or require Successor to pay any rent or other financial obligation of Tenant/Operator to Landlord arising prior to the assignment. Landlord agrees to look solely to the Tenant/Operator and its guarantors for any rents or other financial obligations owed to Landlord arising prior to such assignment. Landlord and Tenant/Operator acknowledge that Franchisor is not a party to the Lease and shall have no liability under the Lease, unless and until the Lease is assigned to, and assumed by Franchisor as Successor.

(8) Notwithstanding anything contained in this Lease Rider and in the Lease, Successor is expressly authorized, without the consent of the Landlord, to sublet the Premises to an authorized System franchisee, provided such subletting is specifically subject to the terms of the Lease and further provided the franchisee expressly assumes in writing all obligations of the Lease. Franchisor agrees to notify Landlord as to the name of the franchisee within ten (10) days after such subletting.

(9) Tenant/Operator shall not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor.

(10) Landlord and Tenant/Operator shall not amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing without the prior written consent of Franchisor.

(11) This Lease Rider will supersede any conflicting terms of the Lease.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Lease Rider as of the date first above written.

FRANCHISOR:

1 Tom Plumber Global LLC

By: _____

Name: _____

Title: _____

TENANT/OPERATOR:

By: _____

Name: _____

Title: _____

LANDLORD:

By: _____

Name: _____

Title: _____

**ATTACHMENT F – RECEIPT OF OPERATIONS MANUAL AND CONFIDENTIALITY
AGREEMENT**

RECEIPT FOR OPERATIONS MANUAL

The undersigned franchisee (“Franchisee”), acknowledges receipt of 1-Tom-Plumber Operations Manual by receiving access codes and instructions to access the on-line version of the Operations Manual. The Operations Manual is being loaned, and access is being granted, to Franchisee under the Franchise Agreement between Franchisee and 1 Tom Plumber Global LLC (“Company”). Franchisee expressly agrees as follows:

1. Operations Manual. The Franchisee shall not copy or otherwise reproduce any portion of the Operations Manual. The Operations Manual shall not be removed from the premises of the Central Office identified in the Franchise Agreement. The Franchisee shall not loan or disclose the Operations Manual to any third party. The Franchisee shall not communicate, transmit, describe, summarize, or otherwise convey the information contained in the Operations Manual, in whole or in part, to any third party not employed by the Franchisee to operate the Franchised Unit. The Operations Manual shall at all times remain the property of the Company, its successors and assigns.

2. Confidentiality Agreement. The Franchisee acknowledges that the Franchisee will receive certain confidential information and knowledge contained in the Operations Manual that is the subject of confidentiality obligations in the Franchise Agreement. When the Franchise Agreement with the Company terminates for any reason, the Franchisee promptly shall surrender to the Company the Operations Manual identified above, along with all papers, documents, writings and other property produced to the Franchisee or coming into the Franchisee’s possession by or through the relationship with the Company and related in any way to the confidential information. All of the foregoing materials shall remain the property of the Company, its successors, or its assigns.

3. Indemnification and Injunctive Relief. The Franchisee’s obligations to indemnify the Company and accept injunctive relief described in the Franchise Agreement shall apply to breaches of Franchisee’s undertakings regarding the Operations Manual.

4. Supplement to Franchise Agreement. This Receipt is a supplement and subject to the Franchise Agreement in all respects.

Executed and delivered this _____ day of _____, 2_____.

Franchisee:

Signature

Printed Name

Title:

ATTACHMENT G - SBA ADDENDUM

SBA Addendum to Franchise Agreement

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between 1 Tom Plumber Global LLC, an Ohio limited liability company ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20____ (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for a loan ("Loan") from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining the SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

1. Change of Ownership. If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

2. Forced Sale of Assets. If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional successions) for fair market value.

3. Covenants. If the Franchisee owns the real estate where the franchise location is operating, Franchisor may not record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions.

4. Employment. Franchisor will not directly control (hire, fire or schedule) Franchisee's employees.

This Addendum automatically terminates on the earlier to occur of the following: (i) the Loan is paid in full; or (ii) SBA no longer has any interest in the Loan.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

FRANCHISOR:

1 TOM PLUMBER GLOBAL LLC

FRANCHISEE:

By: _____

By: _____

Print Name: _____

Print Name: _____

ATTACHMENT H – ASSIGNMENT OF TELEPHONE NUMBERS

Date: _____

This assignment is effective as of the date of termination of the Franchise Agreement entered into between 1 Tom Plumber Global, LLC (“us”) and _____ (“you”). You hereby irrevocably assign to us or our designee the telephone number or numbers and listings issued to you with respect to each and all your Franchised Businesses, including employee cellular telephone numbers that have been used in connection with Franchised Businesses in any respect (“telephone numbers”). This assignment is for collateral purposes only and we have no liability or obligation of any kind whatsoever arising from this assignment, unless we desire to take possession and control over the telephone numbers.

We hereby are authorized and empowered upon termination of the Franchise Agreement and without any further notice to you to notify the telephone company, as well as any other company that publishes telephone directories (“telephone companies”), to transfer the telephone numbers to us or such other person or entity as we designate. You hereby grant to us an irrevocable power of attorney and appoint us as your attorney-in-fact to take any necessary actions to assign the telephone numbers, including but not limited to, executing any forms that the telephone companies may require to effectuate the assignment. This assignment is also for the benefit of the telephone companies, and the telephone companies may accept this assignment and our instructions as conclusive evidence of our rights in the telephone numbers and our authority to direct the amendment, termination, or transfer of the telephone numbers, as if they had originally been issued to us. In addition, Franchisee agrees to hold the telephone companies harmless from any and all claims against them arising out of any actions or instructions by The Seals Franchising, LLC regarding the telephone numbers.

FRANCHISOR: 1 Tom Plumber Global, LLC

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

Name of Franchisee

(as set forth in Attachment A “Transaction Sheet”)

By: _____

Print Name: _____

Title: _____

By: _____

Print Name: _____

Title: _____

ATTACHMENT I - ASSIGNMENT OF DIGITAL ASSETS

Date: _____

This assignment is effective as of the date of termination of the Franchise Agreement entered into between 1 Tom Plumber Global, LLC (“we” or “us”) and _____ (“you” or “franchisee”). You hereby irrevocably assign to us or our designee the domain names, e-mail addresses, online listings, and/or Social Media accounts (collectively the “Web Listings”) with respect to each and all your Franchised Businesses. You agree to pay all amounts, whether due and payable or not, that any domain name registry (“Registry”) or Internet Service Provider (“ISP”) may require in connection with such transfer. This assignment is for collateral purposes only and we have no liability or obligation of any kind whatsoever arising from this assignment, unless we desire to take possession and control over the domain names and e-mail addresses.

We are hereby authorized and empowered upon termination of the Franchise Agreement and without any further notice to you to notify the Registry and the ISP to transfer or terminate (as we designate) the Web Listings to us or such other person or firm as is designated by us. In furtherance thereof, you hereby grant an irrevocable power of attorney to us and appoint us as your attorney-in-fact to take any necessary actions to assign the Web Listings, including but not limited to, executing any forms that the Registry and the ISP may require to effectuate the assignment. This assignment is also for the benefit of the Registry and the ISP, and the Registry and the ISP may accept this assignment and our instructions as conclusive evidence of our rights in the Web Listings and our authority to direct the amendment, termination, or transfer of the Web Listings, as if they had originally been issued to us. In addition, you agree to hold the Registry and the ISP harmless from all claims against them arising out of any actions or instructions by us regarding the Web Listings.

FRANCHISOR: 1 Tom Plumber Global, LLC

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

Name of Franchisee

(as set forth in Attachment A “Transaction Sheet”)

By: _____

Print Name: _____

Title: _____

By: _____

Print Name: _____

Title: _____

ATTACHMENT J – FORM OF CLOSING ACKNOWLEDGEMENT

IF YOU ARE A RESIDENT OF, OR WITH A FRANCHISED BUSINESS(ES) TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES, DO NOT COMPLETE AND DO NOT SIGN THIS ACKNOWLEDGMENT ADDENDUM: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI.

As you know, you (or the entity you represent) and we are entering into a Franchise Agreement to operate a Franchised Business. The purpose of this Closing Acknowledgment is to determine whether any statements or promises were made to you on which you have relied that we have not authorized or that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest, accurate and complete responses to each question.

Acknowledgments and Representations.*

1. Did you receive a copy of our Franchise Disclosure Document (“FDD”) (and all exhibits and attachments) at least 14 calendar days (or at the first personal meeting in Iowa or New York, or least 10 business days if you are in Connecticut, Michigan or New York), before you signed the Franchise Agreement?

Check one: Yes____ **No** ____

If no, please tell us if and when you received the FDD and when you signed the Franchise Agreement. Please explain why you signed the Franchise Agreement or Multi-Unit Operator Agreement before the 14 days expired:

2. Did you understand all the information in the FDD and your rights and obligations under the Franchise Agreement?

Check one: Yes____ **No** ____

If no, please comment:

3. Did you receive a copy of the Franchise Agreement at least 7 days before you signed the Agreement?

Check one: Yes____ **No** ____

If no, tell us when you received the Franchise Agreement and when you signed it. Please explain why you signed the Franchise Agreement when you did:

4. Have you studied and reviewed carefully our FDD and the Franchise Agreement you received?

Check one: Yes____ **No** ____

If no, please comment:

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law, if either or both such laws apply to this transaction.

5. Was any oral, written or visual claim, statement, presentation or representation made to you on which you relied in making your decision to sign the Franchise Agreement that contradicted the disclosures in the FDD?

Check one: No ☐ Yes ☐

If yes, please explain in detail the oral, written or visual statement, presentation, claim or representation:

6. Except for any financial performance representation included as Item 19 in our FDD, did any employee or other person speaking on our behalf 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 Franchised Business franchise, or the likelihood of success at your Franchised Business on which you relied in making your decision to sign the Franchise Agreement?

Check one: No ☐ Yes ☐

If yes, please explain in detail who made and what you understand is the oral, written or visual claim, statement, promise or representation:

7. Except for any financial performance representation included as Item 19 in our FDD did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD on which you relied in making your decision to sign the Franchise Agreement?

Check one: No ☐ Yes ☐

If yes, please identify who made the statement or promise and what you understand are the details of the statement or promise.

8. Do you understand that the franchise granted in the Franchise Agreement (a) allows you to operate a Franchised Business only at the Franchised Location, (b) prevents us from operating or franchising another Franchised Business only in the Operating Area described in the Franchise Agreement, (c) allows us to operate or franchise a Franchised Business anywhere outside the Operating Area, and (d) allows us to open and operate or authorize any other party to open and operate a Unit adjacent to your Operating Area?

Check one: Yes ☐ No ☐

If no, please comment:

9. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise for the Franchised Business or the development rights we grant to you, meaning that any prior oral or written statements or agreements not set out in the Franchise Agreement or the FDD will not be binding?

Check one: Yes ☐ No ☐

If no, please comment:

10. Do you understand that the success or failure of your franchise business will depend in large part upon your skills and experience, your business acumen, the hours you work, the location you select, your management of your Franchised Business, the prices you set, the local market for a Franchised Business, interest rates, the economy, inflation, the number and competence of employees or contractors you hire and their compensation, competition, financing terms and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you buy or open your franchise may change?

Check one: Yes ____ No ____

If no, please comment:

The undersigned represent and warrant that the information and documents regarding the formation, existence, qualification, ownership and owners' agreement of the franchisee provided to 1 Tom Plumber Global LLC are true, correct and complete as of the date of this instrument.

You understand that your answers are important to us and that we will rely on them. By signing this acknowledgment, 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, please continue on a separate sheet, attach it, date it and initial the sheet.

NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS GUARANTORS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

ACCEPTED ON BEHALF OF:
1 TOM PLUMBER GLOBAL LLC

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

ATTACHMENT K – MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPMENT AGREEMENT AND AMENDMENT TO FRANCHISE AGREEMENT

This Multi-Unit Development Agreement and Amendment to Franchise Agreement (the “Amendment”) is effective _____ and is entered into by and between: (i) 1 Tom Plumber Global LLC, an Ohio Limited Liability Company with its principal place of business at 6700 Forum Drive, Suite 150, Orlando, FL 32821 (the “Franchisor”); and (ii) _____ (the “Franchisee”).

BACKGROUND

A. Contemporaneous with this Amendment, Franchisor and Franchisee entered into a franchise agreement (the “First Franchise Agreement”) pursuant to which Franchisee obtained the right and undertook the obligation to own and operate a 1 Tom Plumber franchised business in a territory known as _____, as more specifically set forth in the Franchise Agreement (the “First Franchised Business”).

B. The parties desire to provide Franchisee certain development rights and amend the terms of the Franchise Agreement pursuant to the terms and conditions set forth herein.

AGREEMENT

In consideration of the mutual promises and covenants contained in this Amendment, which constitute good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. Background; Definitions.

a. The parties agree and acknowledge that the Background portion of this Amendment, including all definitions, representations and provisions set forth therein, is hereby incorporated by reference as if fully set forth in this Section.

b. For purposes of this Amendment, if a capitalized term in this Amendment is not specifically defined herein, that term will be given the same definition that the term is afforded in the Franchise Agreement.

2. Initial Fees. Upon the execution of the Franchise Agreement and this Amendment, Franchisee will pay an initial fee to Franchisor equal to \$ _____ representing the initial franchise fee of \$ _____ for the First Franchise Agreement and a discounted initial franchise fee of \$ _____ for the additional franchised business to be developed pursuant to Section 3 of this Amendment below. The initial fees are fully earned and non-refundable.

3. Development Rights and Development Schedule.

a. Franchisor grants Franchisee the right, and franchisee undertakes the obligation, to develop the Additional Franchised Business which must be located in the exclusive development area set forth in Schedule “A” hereto for the Additional Franchised Business (collectively, along with the territory set forth in the First Franchise Agreement, the “Development Area”). Franchisee must execute Franchisor’s then current form of franchise agreement for the Additional Franchised Business (the “Additional Franchise Agreement” and collectively with the First Franchise Agreement, the “Franchise Agreements”) however, the Additional Franchise Agreement shall be amended to provide Franchisee the benefit of the amended terms to the First Franchise Agreement as set forth in this Amendment.

b. Franchisee must execute an Additional Franchise Agreement and commence operations of the Additional Franchised Business in accordance with the following schedule (the “Development Schedule”):

Territory	Date by Which Franchise Agreement Must be Signed	Date by Which the Territory Must be Opened and Continuously Operating for Business in the Territory	Cumulative number of Territories/Franchised Businesses Required to be Open and Continuously Operating for Business in the Development Territory as of the Date in Preceding Column
	Upon Execution of this Amendment	150-days from the date of the First Franchise Agreement	1
	12-Months from the Date of the First Franchise Agreement	150-days from the date of the First Additional Franchise Agreement	2

c. The development rights and territorial protections granted to Franchisee in this Amendment are personal to Franchisee and may not be transferred without Franchisor’s prior written consent, which will not be unreasonably withheld.

d. Franchisor may terminate Franchisee’s development rights without affording Franchisee any opportunity to cure such default, effective upon written notice, upon the occurrence of any of the following events: (i) if Franchisee becomes insolvent or are adjudicated bankrupt, or if any action is taken by Franchisee, or by others against Franchisee, under any insolvency, bankruptcy or reorganization act, or if Franchisee makes an assignment for the benefit of creditors or a receiver is appointed by Franchisee; (ii) if Franchisee fail to meet any of the deadlines set forth in the Development Schedule and fails to cure such default within 30 days of receiving notice thereof; or (iii) if the First Franchise Agreement or any Additional Franchise Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of such franchise agreement. In the event that Franchisee fails to meet the Development Schedule and the development rights are terminated, Franchisee will retain its rights to any Franchised Business for which Franchisee has an executed franchise agreement.

e. All Gross Sales and other reports submitted to Franchisor by Franchisee for work performed in the Development Area will initially be submitted singularly under the First Franchised Business. Upon commencing operations for each Additional Franchised Business under each Additional Franchise Agreement, such reports will be submitted to Franchisor separately for each Franchised Business.

4. Confidentiality. Franchisee must maintain the confidentiality of this Amendment and shall not disclose the terms of this Amendment to any person or persons, except (a) her professional advisors for legitimate business purposes or as required by law, or (b) as otherwise permitted in writing by Franchisor. Any breach of this Section shall constitute a material breach of Franchisee’ confidentiality obligations under the Franchise Agreements.

5. Binding Effect; Acknowledgement. This Amendment shall be for the benefit of and binding upon the parties and their respective representatives, successors and assigns.

6. Governing Law. This Amendment shall be deemed to have been made in and governed by the laws of the State of Florida.

7. Jurisdiction and Venue. The parties agree that jurisdiction and venue provisions set forth

in the First Franchise Agreement will also apply to this Amendment.

8. Advice of Counsel. Each party acknowledges that the terms of this Amendment have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Amendment is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Amendment.

9. Attorneys' Fees. If Franchisor institutes any judicial proceeding to enforce any obligation or interpret the terms of this Amendment, Franchisor shall be entitled to recover all costs, including reasonable attorneys' fees, incurred in connection with such proceeding in the event Franchisor prevails.

10. Construction of Language. The language of this Amendment will be construed according to its fair meaning, and not strictly for or against either party. The parties have had a reasonable opportunity to review this Amendment. In the event of an ambiguity or if a question of intent or interpretation arises, this Amendment shall be construed as if drafted jointly by all of the parties, and no presumptions or burdens of proof shall arise in favor of any party by virtue of the authorship of any of the provisions of this Amendment. Headings are for reference purposes and do not control interpretation.

Entire Agreement. The First Franchise Agreement and this Amendment constitute the entire, full, and complete agreement between the parties concerning the franchise and supersedes any and all prior agreements. In the event of a conflict between the terms of the First Franchise Agreement and this Amendment, the terms of this Amendment shall control. The parties ratify and confirm their respective obligations under the First Franchise Agreement.

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

FRANCHISOR

FRANCHISEE

1 TOM PLUMBER GLOBAL LLC

By: _____
Name:
Its:

Date: _____

By: _____
Name:
Its:

Date: _____

SCHEDULE “A”
DEVELOPMENT TERRITORY

Territory for the Additional Franchise Agreement (City, State):

The following zip codes in the state of [State]:

EXHIBIT B – FORM OF GENERAL RELEASE

GENERAL RELEASE FOR TRANSFER OR RENEWAL

For and in consideration of the Agreements and covenants described below, 1 Tom Plumber Global, LLC, Inc. (“Franchisor”) and _____ (“Franchisee”) enter into this Release of Claims (“Agreement”).

RECITALS

A. Franchisor and Franchisee entered into a 1 Tom Plumber Franchise Agreement dated _____.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, Franchisor and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]

2. [NOTE: Detail other terms and conditions of the release.]

3. **Release of Claims by Franchisor.** Except as noted in this Section 4, and subject to your compliance with the terms and conditions of this Agreement, including the payment of \$_____ to Franchisor, Franchisor, for itself, its predecessors, successors, assigns, affiliates, directors, officers, shareholders, and employees (collectively and individually referred to as the “Franchisor Parties”), hereby release and forever discharge Franchisee, its heirs, successors and assigns, affiliates, directors, officers and shareholders, and any other party claiming an interest through them (collectively and individually referred to as the “Franchisee Parties”) from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which you may now or in the future own or hold, that in any way relate to the Franchise Agreement (collectively, “Claims”), for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisor Parties do not release the Franchisee Parties from any obligations arising by virtue of this Agreement and the Franchisee Parties’ failure to comply with those obligations. Further, the Franchisor Parties do not release the Franchisee Parties from any Claims related to Franchisee’s (i) indemnification obligations under Section __ of the Franchise Agreement, (ii) non-disclosure obligations under Section __ of the Franchise Agreement, and (iii) post- termination non-compete obligations under Section __ of the Franchise Agreement, each of which remain in full force and effect and are incorporated by reference in this Agreement.

4. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, the Franchisee Parties release and forever discharge the Franchisor Parties of and from any and all Claims, for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisee Parties do not release the Franchisor Parties from any obligations arising by virtue of this Agreement and the Franchisor Parties' failure to comply with those obligations.

[FOR USE IN MARYLAND]: Further, the Franchisee Parties and the Franchisor Parties acknowledge that the release set forth in this Section 5 does not release the Franchisor Parties from any liability under the Maryland Franchise Registration and Disclosure Law.

[FOR USE IN CALIFORNIA]: The Releasors, for themselves, their heirs, successors, and assigns, hereby expressly, voluntarily and knowingly waive, relinquish and abandon each and every right, protection, and benefit to which they would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to said Section 1542, whether now or hereinafter existing under the laws of California or any other applicable federal and state law with jurisdiction over the parties relationship. The Franchisee Parties acknowledge that Section 1542 of the Civil Code of the State of California provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

5. **Acknowledgement.** The releases of Claims set forth in Section 4 and Section 5 are intended by the Franchisor Parties and the Franchisee Parties (collectively, the "Parties") to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the one of the Parties against the other Party regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Parties' respective intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. The Parties further acknowledge and agree that no violation of this Agreement shall void the releases set forth in this Agreement.

6. **Reservation of Claims Against Non-Settling Parties.** Franchisor and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

7. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

8. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

9. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the law of the state of _____.

10. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

FRANCHISOR

FRANCHISEE

1 TOM PLUMBER GLOBAL LLC

By: _____

Name:

Its:

Date: _____

By: _____

Name:

Its:

Date: _____

*This Agreement does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

EXHIBIT C – FORM OF NON-DISCLOSURE AND NON-USE AGREEMENT

THIS NON-DISCLOSURE AND NON-USE AGREEMENT (the “*Agreement*”) is made and given to 1 Tom Plumber Global LLC, an Ohio limited liability company, for the collective benefit such entity and its affiliates (collectively, “*Company*”), by the undersigned, as of the date set forth below.

BACKGROUND:

In conjunction with exploration of a potential business relationship between the undersigned and the Company (the “*Purpose*”), the undersigned has need of, may become aware of, and/or may come into possession of (i) financial information, business plans, information about the Company’s business and/or other non-public information and trade secrets that Company considers confidential or proprietary, (ii) information about a customer of Company that is non-public, confidential, or proprietary in nature, and/or that is protected by law or by order of a court, arbitrator, or other such authority, and/or (iii) information and property held by Company pursuant to a contractual or fiduciary relationship. Company is willing to disclose to the undersigned, or permit the disclosure to the undersigned of, such information and property only upon receipt of the assurances contained within this Agreement, and the undersigned is willing to give such assurances.

NOW, THEREFORE, in consideration of the recitals above and other good and valuable consideration, the undersigned hereby agrees as follows:

1. Definition of Confidential Information

“*Confidential Information*” means any information of any type in any form that (i) is disclosed to or observed or obtained by the undersigned from Company (or from a person the recipient knows or reasonably should assume has an obligation of confidence to Company) in the course of, or by virtue of, the Purpose and (ii) either is designated as confidential or proprietary in writing at the time of such disclosure or within a reasonable time thereafter (or, if disclosure is made orally or by observation, is designated as confidential or proprietary orally by the person disclosing or allowing observation of the information) or is of a nature that the recipient knew or reasonably should have known, under the circumstances, would be regarded by the owner of the information as confidential or proprietary.

For purposes of this Agreement, however, the term “Confidential Information” specifically shall not include any portion of the foregoing (other than information about the health or financial status of any person) that (i) was in the undersigned’s possession or knowledge at the time of disclosure and that was not acquired directly or indirectly from Company, (ii) was disclosed to the undersigned by a third party not having an obligation of confidence of the information to any person or body of which the undersigned knew or that, under the circumstances, the undersigned reasonably should have assumed to exist, or (iii) is or becomes (other than by the act or omission of the undersigned) a part of the public domain not under seal by a court of competent jurisdiction.

In the event of any ambiguity as to whether information is Confidential Information, the foregoing shall be interpreted strictly and there shall be a rebuttable presumption that such information is Confidential Information.

Without limiting any other provisions of this Agreement or granting by implication any rights with respect to any particular item, and whether or not otherwise meeting the criteria described herein, the following shall be deemed conclusively to be Confidential Information: (i) all information that the recipient knows or reasonably should know is a trade secret pursuant to applicable law; (ii) any notes, compilations, analyses, or other materials created by or on behalf of the undersigned that contain, describe, or refer to information that is Confidential Information of Company; and (iii) to the extent not generally known to the public or to third parties in the relevant industry, (A) all data, documents, flow charts, logic diagrams, design concepts, technical information, processes, standards, specifications, improvements, inventions, procedures, know-how, formulae, algorithms, source and executable codes, scripts, file layouts, database arrangements, test materials,

business concepts and methods, financial information, services instructions for menu items, ingredients, new menu items and the like, sales and marketing information, development plans, business plans, strategies, forecasts, customer lists, customer data, supplier lists, supplier contract and arrangement terms, non-obvious Company design, décor, and organization elements, and passwords, entry codes, access sequences, or the like of the Company, (B) all information and property that the recipient knows or reasonably should assume is possessed by Company through a contractual or fiduciary relationship with a third party (including without limitation property possessed or accessible pursuant to a license or other contractual arrangement, information regarding the business of Company's customer or prospective customer, the identity of any third party in a confidential relationship with Company, and information about the health or financial status of any person), and (C) this Agreement (other than the fact of its existence), the identity of Company as a party to this Agreement, and the fact of the parties' Purpose.

Any information otherwise meeting the foregoing definition of "Confidential Information" that was received by the undersigned prior to the date of this Agreement but preliminary to or in contemplation of this Agreement or the Purpose shall be deemed to be Confidential Information.

2. Non-Disclosure of Confidential Information

Except as otherwise specifically authorized by Company in writing, the undersigned shall keep all Confidential Information disclosed to it strictly confidential and shall not disclose (or permit the disclosure by any of its employees, contractors, or agents of) any Confidential Information except as expressly approved in writing by Company or as otherwise permitted under this Agreement; provided, however, that the undersigned may disclose appropriate portions of Confidential Information to those of its employees, contractors, agents, and professional advisors who have a substantial need to know the specific information in question in connection with the Purpose so long as all such persons (i) have been instructed that such Confidential Information is subject to the obligation of confidence set forth by this Agreement and (ii) are bound either by contract, employment policies, or fiduciary or professional ethical obligation to maintain such information in confidence. The foregoing notwithstanding, in the event the undersigned becomes legally compelled to disclose any Confidential Information, the undersigned shall provide Company with prompt notice thereof so that Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If such protective order or other remedy is not obtained, or if Company waives compliance with the provisions of this Agreement, the undersigned agrees to furnish only the portion of the Confidential Information that it is legally required to disclose, as advised by written opinion of counsel. The undersigned also shall exercise its best efforts to obtain reasonable, reliable assurance that confidential treatment as provided in this Agreement will be accorded to the Confidential Information so disclosed.

3. Non-Use of Confidential Information

The undersigned shall not, in any manner or at any time, use or authorize the use of any Confidential Information except as is necessary to effectuate the purposes of the Purpose.

4. Security of Confidential Information

In addition to any other restrictions or obligations imposed at law, the undersigned will maintain all Confidential Information under secure conditions, using reasonable security measures and in any event not less than the same security procedures used by the undersigned for the protection of its own Confidential Information of a similar kind.

5. Copying of Confidential Information.

Except as otherwise specifically authorized by Company in writing, the undersigned shall not copy or otherwise reproduce any part of any Confidential Information, nor attempt to do so, other than as is necessary to effectuate the purposes of the Purpose. Any embodiments of Confidential Information that may

be generated by the undersigned, either pursuant to or in violation of this Agreement, will be deemed the Confidential Information of Company.

6. **Proprietary Legends**

Except as otherwise specifically authorized by Company in writing, the undersigned shall not remove, obscure, or deface on or from any embodiment of any Confidential Information any proprietary legend relating to Company's rights.

7. **Compliance with Export Restrictions**

The undersigned shall comply with all applicable laws, regulations, and restrictions relating to the use, handling, disclosure, export, and transfer of the Confidential Information. The undersigned warrants that no technical data furnished to it by Company will be exported from the United States, including without limitation disclosing technical data to a foreign firm, foreign government, or foreign national not lawfully admitted to the United States as a permanent resident, without first (i) obtaining the express written consent of Company in its sole discretion and (ii) complying with all applicable requirements of the International Traffic in Arms Regulations and the Export Administration Act, including without limitation the requirement for obtaining any export license or other approval, if applicable. The undersigned shall not submit any request for authority to export any such technical data without the express written consent of Company in its sole discretion.

8. **Term**

The obligations of the undersigned pursuant to this Agreement shall continue until three years following the last date that Confidential Information is disclosed to or observed or obtained by the undersigned pursuant to this Agreement; provided, however, that the obligations of the undersigned pursuant to this Agreement with respect to Confidential Information that the recipient knows or reasonably should know is a trade secret pursuant to applicable law shall continue for as long as such information remains a trade secret; and provided, further, that the obligations of the undersigned pursuant to Section 2 of this Agreement shall continue indefinitely.

9. **Acknowledgment of Rights**

The undersigned acknowledges that, as between Company and the undersigned, all Confidential Information shall be and remain exclusively the property of Company. Nothing contained in this Agreement shall be construed as granting to or conferring upon the undersigned any right, by license or otherwise, expressly or by implication, in respect of any Confidential Information or any applications thereof.

10. **No Warranties**

The undersigned acknowledges that Company makes no representation or warranty as to the Confidential Information disclosed hereunder, including without limitation any representation or warranty as to accuracy, completeness, or relevance, and any implied such representations and warranties are hereby disclaimed. Company shall have no liability to the undersigned for any use of Confidential Information by the undersigned.

11. **Return or Destruction of Confidential Information**

At any time or times as may be requested by Company, and in any case within 10 days following the end of the Purpose, the undersigned shall return or permanently and securely destroy all copies and other physical embodiments of the Confidential Information in its possession or under its control and permanently and securely delete any electronic embodiments of the Confidential Information from its computers and storage devices and media. Upon request of Company, the undersigned shall deliver a certificate of an officer of the undersigned that all such Confidential Information has been returned or destroyed.

12. **Injunctive Relief**

The undersigned acknowledges that the Confidential Information has been and is developed and obtained by Company with considerable effort and expense or subject to legal obligations regarding its confidentiality, that the Confidential Information is unique, secret, and valuable to Company, and that any unauthorized use of Confidential Information by the undersigned, or any disclosure of the same to any third party other than as permitted under this Agreement, would be wrongful, may violate law, and would cause irreparable injury to Company. The undersigned further acknowledges that any breach of this Agreement would cause irreparable harm to Company for which an award of money damages alone would not be an adequate remedy, and the undersigned therefore agrees that Company shall be entitled to specific performance and immediate preliminary and permanent injunctive relief without bond, without the need of proof of actual damages, and without prejudice to any other rights or remedies to which Company may be entitled as a result of a breach of this Agreement. Company shall be entitled to reasonable attorney's fees and costs incurred by it in enforcing its rights under this Agreement. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting Company's rights under applicable law to protect its Confidential Information.

13. No Partnership; No Commitment; No Exclusivity

Except as expressly set forth in a separate written agreement between the undersigned and Company, nothing contained in this Agreement or in any discussions undertaken or disclosures made pursuant hereto shall (i) create any partnership or joint venture as between the undersigned and Company; (ii) be deemed a commitment by the undersigned or Company to engage in any business relationship, contract, or future dealing with or for the benefit of the other, or (iii) limit the right of the undersigned or Company to conduct discussions or engage in any undertaking, whether similar to or different from the Purpose, so long as such discussions or undertaking do not violate this Agreement.

14. Other Provisions

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida (other than its conflicts of law provisions) and venue shall be exclusive in the federal or state courts sitting in Orange County, Florida. If any provision of this Agreement is deemed invalid or unenforceable, such provision shall be deemed limited by construction in scope and effect to the minimum extent necessary to render the same valid and enforceable. This Agreement, including any exhibits referred to in this Agreement, all of which form a part hereof, contains the entire understanding of the undersigned and Company with respect to its subject matter. This Agreement may be amended only by a written instrument duly executed by the undersigned and Company. No failure or delay in the exercise of any power, right, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right, or privilege preclude the further exercise thereof or of any other right, power, or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by him/herself or its duly authorized representative as of the date shown below.

[Signature block if individual:]

[Signature block if entity:]

(Signature, if individual)

(Company name written-out)

(Name written out, if individual)

By: _____
(Signature of duly-authorized officer)

Its: _____
(Title of duly-authorized officer)

Date: _____

Date: _____

EXHIBIT D – STATE ADDENDA

The following are additional disclosures for the Multistate Franchise Disclosure Document of 1 Tom Plumber Global, LLC required by various state franchise laws. A particular state's disclosures only apply if you are located in that state and covered by that state's franchise law.

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT REQUIRED BY THE STATE OF CALIFORNIA

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.

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 FRANCHISE DISCLOSURE DOCUMENT.

Neither we nor any person or franchise broker identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

You must sign a general release if you 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).

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

Section 31125 of the California Corporations Code requires the Franchisor to give the Franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (Title 11, United States Code, Section 101).

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

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

The Franchise Agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.

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.

OUR WEBSITE, www.1tomplumber.com 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.

**HAWAII ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT**

The following paragraphs are added after Item 23 of the Franchise Disclosure Document:

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

FRANCHISOR WILL DEFER COLLECTION OF THE INITIAL FRANCHISE FEE UNTIL FRANCHISOR HAS FULFILLED ITS INITIAL OBLIGATIONS OWED TO FRANCHISEE UNDER THE FRANCHISE AGREEMENT OR OTHER DOCUMENTS AND THE FRANCHISEE HAS COMMENCED DOING BUSINESS PURSUANT TO THE FRANCHISE AGREEMENT.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. Due to its financial condition, Franchisor is required by the Illinois Attorney General to escrow the payment of all initial franchise fees owed to the Franchisor by the franchisee until such time as the initial obligations of the Franchisor to assist the franchisee to establish and open the franchisee's business are fulfilled. The Escrow Agreement is on file with at the Office of the Attorney General.
6. The Franchisor in its sole discretion may require YOU to purchase multiple units if it believes that your territory cannot be serviced from a single Central Office. The FEE for each unit is \$49,000.
7. "NATIONAL ACCOUNTS" MAY EXIST IN THE FUTURE WITHIN THIS FRANCHISE SYSTEM. THE FRANCHISOR RESERVES THE RIGHT TO ESTABLISH, IDENTIFY, NEGOTIATE AND SERVICE "NATIONAL ACCOUNTS" **WITHIN YOUR EXCLUSIVE TERRITORY**. YOU MAY BE OFFERED THE OPPORTUNITY TO SERVICE A NATIONAL ACCOUNT IN YOUR TERRITORY AT PREVIOUSLY-NEGOTIATED PRICES/RATES. IF YOU DECLINE, THE FRANCHISOR, ITS AFFILIATE(S) OR ANOTHER FRANCHISEE WILL PROVIDE PRODUCTS & SERVICES TO THE "NATIONAL ACCOUNT" WITH NO COMPENSATION PAID TO YOU.

Franchisor: 1 Tom Plumber Global, LLC

Franchisee: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE 1 TOM PLUMBER FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

This "Addendum" is made and entered into by and between 1 Tom Plumber Global LLC, a Ohio limited liability company ("we", "our" or "us"), as franchisor, and _____, a(n) _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. Due to its financial condition, Franchisor is required by the Illinois Attorney General to escrow the payment of all initial franchise fees owed to the Franchisor by the franchisee until such time as the initial obligations of the Franchisor to assist the franchisee to establish and open the franchisee's business are fulfilled. The Escrow Agreement is on file with at the Office of the Attorney General.
6. The Franchisor in its sole discretion may require YOU to purchase multiple units if it believes that your territory cannot be serviced from a single Central Office. The FEE for each unit is \$49,000.
7. "NATIONAL ACCOUNTS" MAY EXIST IN THE FUTURE WITHIN THIS FRANCHISE SYSTEM. THE FRANCHISOR RESERVES THE RIGHT TO ESTABLISH, IDENTIFY, NEGOTIATE AND SERVICE "NATIONAL ACCOUNTS" **WITHIN YOUR EXCLUSIVE TERRITORY**. YOU MAY BE OFFERED THE OPPORTUNITY TO SERVICE A NATIONAL ACCOUNT IN YOUR TERRITORY AT PREVIOUSLY-NEGOTIATED PRICES/RATES. IF YOU DECLINE, THE FRANCHISOR, ITS AFFILIATE(S) OR ANOTHER FRANCHISEE WILL PROVIDE PRODUCTS & SERVICES TO THE "NATIONAL ACCOUNT" WITH NO COMPENSATION PAID TO YOU.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

Franchisor: 1 Tom Plumber Global, LLC

Franchisee: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

INDIANA ADDENDUM TO DISCLOSURE DOCUMENT

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of this Disclosure Document, the Franchise Agreement, the other agreements or Florida law if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede the provisions of Sections 29, 30 and 31 of the Franchise Agreement in the State of Indiana to the extent that may be inconsistent with such prohibition.
3. The prohibition by Indiana Code 23-2-2.7-1(10) against limiting litigation brought for breach of the agreement, shall supersede the provisions of Section 32 of the Franchise Agreement in the State of Indiana to the extent that may be inconsistent with such prohibition.
4. Notwithstanding the Franchise Agreement, you recognize that in the event of any use of the System not in accord with that Agreement, we shall be entitled to seek injunctive and other relief.
5. No release language set forth in the Disclosure Document, Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
6. Section 46 of the Franchise Agreement is amended to provide that such agreement (as applicable) will be construed in accordance with the laws of the State of Indiana.
7. Any provision in the Disclosure Document or Franchise Agreement that designates jurisdiction or venue, or requires franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, may not be enforceable.
8. Section 32(b) (Jury Trial Waiver) of the Franchise Agreement is deleted from all Agreements entered into in Indiana.

**ADDENDUM TO THE 1 TOM PLUMBER FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA**

This “Addendum” is made and entered into by and between 1 Tom Plumber Global LLC, a Ohio limited liability company (“we”, “our” or “us”), as franchisor, and _____, a(n) _____ (“you”), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise Agreement without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede the provisions of Sections 29, 30 and 31 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

2. Section 33(b) is modified by adding the following to the end thereof:

“Notwithstanding the foregoing provisions of this Section to the contrary, in the event that liquidated damages are prohibited by applicable state law, Franchisor may seek such damages in a court of proper jurisdiction.”

3. Section 46 is deleted in its entirety and replaced with the following:

“This Franchise Agreement and any claims arising under it or in relation to it or to the relationships between the parties shall be governed, construed, interpreted and enforced by and under the laws of the State of Indiana.”

4. Section 47 is deleted in its entirety and replaced with the following:

“With respect to any claims, controversies or disputes which are not finally resolved through mediation or as otherwise provided above, Franchisor, Franchisee, and Owners hereby irrevocably submit themselves to the jurisdiction of the state and federal courts located in Indiana having subject matter jurisdiction of the claim, and hereby waive all objections to personal jurisdiction for the purpose of carrying out this provision. Franchisee and Owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Franchise Agreement or the relationship created by this Franchise Agreement by any means allowed by the laws and applicable rules of procedure of the United States, the State of Indiana, the state of residence of the Franchisee or Owner, or the state in which the Unit is located.”

5. Section 32(b) of the Franchise Agreement (relating to waiver of a jury trial) is hereby deleted.

6. No release language set forth in the Franchise Agreement shall require a party to release any claim arising under Indiana franchise law.

All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Indiana.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

Franchisor: 1 Tom Plumber Global, LLC

Franchisee: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT**

1. The Franchise Disclosure Document and Franchise Agreement provide for the execution of a general release in order to approve the transfer or renewal of the franchise. The documents are amended to comply with Maryland Franchise Investment Law, as follows:

The general release required as a condition of transfer or renewal in the State of Maryland is deleted.

2. The Franchise Disclosure Document and Franchise Agreement provide for consent to the jurisdiction of courts in Orange County, Florida. The documents are amended as follows:

The choice of law and designation of jurisdiction and venue does not waive any rights conferred upon Franchisee by the provisions of the Maryland Franchise Law, including the right to bring an action alleging a cause of action under the Maryland Franchise Law in the State of Maryland. The requirement for consent to a jurisdiction of courts outside of Maryland is deleted.

3. The Franchise Disclosure Document and Franchise Agreement provide that the agreements shall be construed according to the laws of the State of Florida. The documents are amended as follows:

The Franchise Agreement shall be construed according to the laws of Maryland.

4. Nothing in the Franchise Disclosure Document or Franchise Agreement shall act to reduce the three-year statute of limitations afforded to Franchisee for bringing a claim under Maryland Franchise Law.

5. The Franchise Disclosure Document and Franchise Agreement provide for termination upon bankruptcy. The documents are amended to add the following:

Termination upon bankruptcy might not be enforceable under federal bankruptcy law (11 U.S.C. sections 101, et seq.) but Franchisor and Franchisee agree to enforce this provision to the maximum extent of the 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.

To the extent this Addendum is deemed to be inconsistent with any terms of conditions of the Documents, Agreements or Exhibits, the terms of this Addendum will govern.

Franchisor: 1 Tom Plumber Global, LLC

Franchisee: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT**

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Notwithstanding anything to the contrary in the Franchise Disclosure Document and the Franchise Agreement for Franchisees located in the State of Minnesota, the following provisions shall supersede and apply:

1. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring a waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce: (1) any of the franchisee's rights as provided for in the Minnesota Statutes, Chapter 80C; or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases): (1) that a franchisee be given 90 days-notice of termination (with 60 days to cure) and 180 days-notice for non-renewal of the franchise agreement; and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
3. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1 (g). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit or demand regarding the use of the name.
4. Minnesota Rule 2860.4400(D) prohibits a franchisor requiring a franchisee to consent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400(J). Also, a court will determine if a bond is required.
6. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.
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 the franchisor. This provision supersedes any other term of any document executed with the franchise.

Franchisor: 1 Tom Plumber Global, LLC

Franchisee: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE 1 TOM PLUMBER FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

The following amendments to the 1-Tom-Plumber Franchise Disclosure Document apply to franchisors and franchisees subject to New York statutes and regulations:

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 G OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE

DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

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

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

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

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

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

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

AS WITNESS the hands of the duly authorized representatives of the parties hereto as of the date of execution by 1 Tom Plumber Global LLC set forth below.

Franchisor: 1 Tom Plumber Global, LLC

Franchisee: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**NORTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT**

1. Item 17.c. and 17.m. of the Franchise Disclosure Document; Sections 4(d) and 22(c) of the Franchise Agreement provide for the execution of a general release in order to approve the renewal or transfer of the franchise. The documents are amended to comply with North Dakota Franchise Investment Law, as follows:

The general release required as a condition of renewal or transfer in the State of North Dakota is deleted.
2. Item 17.r. of the Franchise Disclosure Document and Section 11 of the Franchise Agreement, contain covenants restricting competition. The documents are amended to comply with North Dakota Statute Century Code, Section 9-08-06, as follows:

Covenants not to compete are generally considered unenforceable in the State of North Dakota.
3. Item 17.v. of the Franchise Disclosure Document and Section 47 of the Franchise Agreement, provide for consent to the jurisdiction of courts in Orange County, Florida. The documents are amended as follows:

The choice of law and designation of jurisdiction and venue does not waive any rights conferred upon Franchisee by the provisions of the North Dakota Franchise Law, including the right to bring an action alleging a cause of action under the North Dakota Franchise Law in the State of North Dakota. The requirement for consent to a jurisdiction of courts outside of North Dakota is deleted.
4. Item 17.w. of the Franchise Disclosure Document and Section 46 of the Franchise Agreement provide that the agreements shall be construed according to the laws of the State of Florida. The documents are amended as follows:

The Franchise Agreement shall be construed according to the laws of North Dakota.
5. Nothing in the Franchise Disclosure Document or Franchise Agreement shall be construed to shorten the statute of limitation provided for under North Dakota law. The statute of limitation under North Dakota law will apply.
6. Section 48 of the Franchise Agreement provides that Franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreements. The agreement is amended as follows:

The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.
7. Any requirements in the Franchise Agreement which require the Franchisee to agree to the penalties of termination or liquidated damages are deleted.
8. Section 32(b) of the Franchise Agreement requires that the Franchisee consent to a waiver of trial by jury. The agreement is amended to comply with North Dakota Franchise Investment Law as follows:

The requirement to waive trial by jury is deleted.
9. Section 32(a) of the Franchise Agreement requires that the Franchisee consent to a waiver of exemplary and punitive damages. The agreement is amended as follows:

The requirement to waive exemplary and punitive damages is deleted.
10. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming

reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

11. Franchisor will defer collection of the initial franchise fee until Franchisor has fulfilled its initial obligations owed to franchisee under the franchise agreement or other documents and the franchisee has commenced doing business pursuant to the franchise agreement.

To the extent this Addendum is be deemed to be inconsistent with any terms of conditions of the Documents, Agreements or Exhibits, the terms of this Addendum will govern.

Franchisor: 1 Tom Plumber Global, LLC

Franchisee: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**RHODE ISLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT**

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.

The provisions of the Franchise Disclosure Document or Franchise Agreement which conflict with Section 19-28.1-14 are void.

Franchisor: 1 Tom Plumber Global, LLC

Franchisee: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE 1 TOM PLUMBER FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT FOR THE COMMONWEALTH OF VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Disclosure Document for use in the Commonwealth of Virginia is amended by adding the following statements to Item 17.h. of the Franchise Disclosure Document:

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

Under §13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under subsection D of §13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Franchisor will defer collection of the initial franchise fee until franchisor has fulfilled its initial obligations owed to franchisee under the franchise agreement or other documents and the franchisee has commenced doing business pursuant to the franchise agreement.

The Franchise Disclosure Document and Franchise Agreement are also amended for use in the Commonwealth of Virginia by adding the following:

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

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when

executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Non-solicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Sections 55(a) and (d) of the Franchise Agreement do not apply in Washington.

20. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

The undersigned does hereby acknowledge receipt of this addendum.

Franchisor: 1 Tom Plumber Global, LLC

Franchisee: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT E – FINANCIAL STATEMENTS

EverSmith Brands Holding Company and Subsidiaries

Consolidated Financial Report
December 31, 2025

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Independent Auditor's Report

To the Board of Directors
EverSmith Brands Holding Company and Subsidiaries

Opinion

We have audited the consolidated financial statements of EverSmith Brands Holding Company and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

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

To the Board of Directors
EverSmith Brands Holding Company and Subsidiaries

In performing audits in accordance with GAAS, we:

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

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

Plante & Moran, PLLC

March 26, 2026

EverSmith Brands Holding Company and Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash	\$ 4,875,638	\$ 3,515,558
Advertising fund restricted cash and restricted assets	-	100,458
Accounts receivable - Net	9,920,806	7,114,904
Unbilled revenue	461,552	349,380
Notes receivable	577,463	425,473
Prepaid expenses and other current assets	1,046,032	1,573,314
Total current assets	16,881,491	13,079,087
Property and Equipment - Net	212,824	780,862
Operating Lease Right-of-use Assets - Net	522,312	1,240,113
Goodwill - Net	74,960,086	50,821,465
Intangible Assets - Net	49,343,970	34,088,854
Other Assets		
Deferred commission costs - Net of current portion	6,026,099	2,262,584
Notes receivable - Net of current portion	1,235,982	286,916
Other	44,556	50,609
Total other assets	7,306,637	2,600,109
Total assets	\$ 149,227,320	\$ 102,610,490
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 3,078,777	\$ 4,966,278
Current portion of long-term debt	580,000	360,000
Current portion of operating lease liabilities	208,850	507,060
Deferred franchise fees	1,417,984	692,354
Accrued and other current liabilities:		
Taxes payable	2,374,926	1,295,818
Accrued compensation	1,521,814	2,802,812
Accrued interest	559,266	-
Other accrued liabilities	1,347,165	1,395,399
Total current liabilities	11,088,782	12,019,721
Long-term Debt - Net of current portion	56,090,365	34,497,135
Operating Lease Liabilities - Net of current portion	277,526	733,773
Other Long-term Liabilities		
Deferred franchise fees - Net of current portion	9,615,702	4,101,540
Deferred tax liabilities	1,026,336	1,037,222
Total liabilities	78,098,711	52,389,391
Stockholders' Equity	71,128,609	50,221,099
Total liabilities and stockholders' equity	\$ 149,227,320	\$ 102,610,490

See notes to consolidated financial statements.

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Operations

Years Ended December 31, 2025 and 2024

	2025	2024
Net Revenue		
Royalty fees	\$ 18,965,413	\$ 13,835,697
Professional service fees	13,499,394	15,893,981
Product revenue	2,810,209	2,874,230
Initial franchise fee revenue	745,908	780,004
Promotional fund revenue	3,342,187	416,122
Other	1,137,782	1,234,883
Total net revenue	40,500,893	35,034,917
Cost of Professional Service Fees Revenue	13,654,654	14,085,134
Gross Profit	26,846,239	20,949,783
Operating Expenses	34,844,232	34,186,155
Operating Loss	(7,997,993)	(13,236,372)
Nonoperating Income (Expense)		
Interest income	139,828	82,328
Other expense	(49,040)	(45,331)
Interest expense	(4,140,995)	(2,181,596)
Gain on sale of Green Guard Services, LLC	1,352,198	-
Total nonoperating expense	(2,698,009)	(2,144,599)
Loss - Before income taxes	(10,696,002)	(15,380,971)
Income Tax (Recovery) Expense	(248,556)	1,928,222
Consolidated Net Loss	(10,447,446)	(17,309,193)
Other Comprehensive Loss - Foreign currency translation adjustment	(745,044)	(697,817)
Comprehensive Loss	\$ (11,192,490)	\$ (18,007,010)

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Stockholders' Equity

Years Ended December 31, 2025 and 2024

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance - January 1, 2024	\$ 288	\$ 37,145,577	\$ (14,542,708)	\$ (607,996)	\$ 21,995,161
Consolidated net loss	-	-	(17,309,193)	-	(17,309,193)
Issuance of common stock	269	46,135,855	-	-	46,136,124
Stock-based compensation	-	100,595	-	-	100,595
Foreign currency translation adjustment	-	-	-	(697,817)	(697,817)
Dividends	-	-	(3,771)	-	(3,771)
Balance - December 31, 2024	557	83,382,027	(31,855,672)	(1,305,813)	50,221,099
Consolidated net loss	-	-	(10,447,446)	-	(10,447,446)
Issuance of common stock	91	32,099,909	-	-	32,100,000
Foreign currency translation adjustment	-	-	-	(745,044)	(745,044)
Balance - December 31, 2025	<u>\$ 648</u>	<u>\$ 115,481,936</u>	<u>\$ (42,303,118)</u>	<u>\$ (2,050,857)</u>	<u>\$ 71,128,609</u>

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Cash Flows

Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Consolidated net loss	\$ (10,447,446)	\$ (17,309,193)
Reconciliation of consolidated net loss to net cash and restricted cash from operating activities - Net of assets acquired and liabilities assumed in business acquisitions:		
Depreciation and amortization expense	9,205,859	7,346,640
Noncash lease expense	(18,070)	(14,083)
Stock compensation expense	-	100,595
Deferred income taxes	(742,728)	390,415
Credit loss expense	243,727	574,457
Debt issuance cost amortization	188,230	79,635
Gain on sale of Green Guard Services, LLC	(1,352,198)	-
Changes in operating assets and liabilities - Net of assets acquired and liabilities assumed:		
Accounts receivable and unbilled revenue	(2,506,959)	(2,299,521)
Deferred commission costs	(3,763,515)	(1,669,001)
Prepaid expenses and other current assets	479,827	(260,403)
Accounts payable	(1,891,129)	2,394,416
Taxes payable	1,079,108	1,295,818
Deferred revenue	4,336,960	2,141,878
Accrued compensation and other accrued liabilities	(722,448)	1,819,841
Net cash and restricted cash used in operating activities	(5,910,782)	(5,408,506)
Cash Flows from Investing Activities		
Business acquisitions - Net of cash acquired	(34,327,351)	(71,148,692)
Purchase of property and equipment	(71,161)	(94,285)
Issuance of notes receivable	-	(712,389)
Payments on notes receivable	251,142	-
Proceeds from sale of Green Guard Services, LLC	337,818	-
Net cash and restricted cash used in investing activities	(33,809,552)	(71,955,366)
Cash Flows from Financing Activities		
Proceeds from issuance of common stock	20,100,000	44,136,124
Proceeds from debt	22,900,000	36,000,000
Payments on debt	(1,275,000)	(180,000)
Debt issuance costs	-	(1,042,500)
Dividends	-	(3,771)
Net cash and restricted cash provided by financing activities	41,725,000	78,909,853
Net Effect of Exchange Rate Changes on Cash and Restricted Cash	(745,044)	(697,817)
Net Increase in Cash and Restricted Cash	1,259,622	848,164
Cash and Restricted Cash - Beginning of year	3,616,016	2,767,852
Cash and Restricted Cash - End of year	\$ 4,875,638	\$ 3,616,016
Classification of Cash and Restricted Cash		
Cash	\$ 4,875,638	\$ 3,515,558
Restricted cash	-	100,458
Total cash and restricted cash	\$ 4,875,638	\$ 3,616,016
Supplemental Cash Flow Information - Cash paid for interest	\$ 3,581,729	\$ 2,181,596
Significant Noncash Transactions		
Fair value of rollover equity issued for business acquisitions	\$ 12,000,000	\$ 2,000,000
Note receivable issued for sale of Green Guard Services, LLC	1,200,000	-

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1 - Nature of Business

EverSmith Brands Holding Company and Subsidiaries (the "Company") includes its wholly owned subsidiaries, EverSmith Brands Intermediate Holding Company; 2792705 Ontario Inc.; TruServe Groundscare Inc.; Clintar, Inc.; Clintar Franchising, Inc.; milliCare, Inc.; milliCare Franchising, LLC; Kitchen Guard Franchising, Inc.; Green Guard Services, LLC; U.S. Lawns, Inc.; Restoration Specialties Franchise Group, LLC; 1 Tom Plumber Global LLC; and The Seals Franchising, LLC.

The Company's subsidiaries are principally engaged as franchisors of brands, which provide various services such as landscaping, snow removal, operating floor and textile care, commercial kitchen exhaust cleaning, and specialty restoration. In addition, certain landscaping and snow removal services are provided directly to customers where franchising territories do not exist.

On May 9, 2025, the Company sold the majority of the assets and liabilities on its subsidiary Green Guard Services, LLC to a third party in exchange for cash and a promissory note receivable.

Note 2 - Significant Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Company has elected to adopt certain accounting alternatives for private companies developed by the Private Company Council, including the alternative for accounting for goodwill and intangibles.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Adoption of New Accounting Pronouncement

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU introduced a practical expedient for estimating expected credit losses on current accounts receivable arising from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*. Under the practical expedient, the Company assumes that current conditions as of the consolidated balance sheet date will not change for the remaining life of the asset. The standard also permits an accounting policy election to consider collection activity after the balance sheet date when estimating credit losses.

The Company adopted the new guidance on January 1, 2025 on a prospective basis. The adoption of this guidance did not have a significant impact on the consolidated financial statements.

Cash

The Company maintains cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Additionally, the Company maintains cash in various foreign institutions amounting to \$2,012,050 and \$2,918,789 as of December 31, 2025 and 2024, respectively, converted at year-end exchange rates.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2 - Significant Accounting Policies (Continued)

Restricted Cash

In accordance with certain brands' franchise agreements, certain cash accounts established for promotional or advertising contributions and spending are restricted in their use for cash collected by the promotional fund, usage of which is restricted for advertising activities and is included in advertising fund restricted cash on the accompanying consolidated balance sheet.

Accounts Receivable

Trade accounts receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. At December 31, 2025 and 2024, the Company recorded an allowance for credit losses in the amount of \$1,710,706 and \$1,214,135, respectively. The Company evaluates the collectibility of its accounts receivable and determines the appropriate allowance for expected credit losses based on a combination of factors, including the aging of the receivables, historical collection trends, and charge-offs, and includes adjustments for current economic conditions. The Company calculates the allowance using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions. When the Company is aware of a franchisee or customer's inability to meet its financial obligation, the Company may individually evaluate the related receivable to determine the allowance for expected credit losses. The Company has elected the practical expedient to assume that the current conditions as of the consolidated balance sheet date will not change for the remaining life of the asset. The Company has also made the policy election to consider collection activity subsequent to year end in making its estimate of expected losses. The Company has considered subsequent collection activity through January 31, 2026. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Accounts receivable, net of allowance, as of January 1, 2024 equaled \$3,615,646.

Unbilled Revenue

The Company records royalty revenue that has been recognized but not invoiced to its franchisees in unbilled revenue until the respective amount is invoiced, which is then included within accounts receivable. Unbilled revenue is included within current assets, as the amounts are similar to accounts receivable and are short term in nature.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method. Assets are depreciated over their estimated useful lives. The cost of leasehold improvements is depreciated (amortized) over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Leases

The Company has operating leases primarily for various office spaces that have lease terms that range from three to five years, some of which include renewal and termination options that can be elected by the Company. The Company recognizes expense for operating leases on a straight-line basis over the lease term. The Company made a policy election not to separate lease and nonlease components for all operating leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

The Company elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all operating leases.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2 - Significant Accounting Policies (Continued)

Intangible Assets

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets, which range from 6 to 20 years. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

The Company has elected to apply the private company accounting alternative for intangible assets acquired in a business combination developed by the Private Company Council. Under the accounting alternative, certain acquired customer-related intangible assets and noncompetition agreements are not separately recognized apart from goodwill.

Goodwill

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition.

The Company has elected to apply the private company accounting alternative for goodwill developed by the Private Company Council. Under the accounting alternative, goodwill is amortized on a straight-line basis over a 10-year period. Additionally, goodwill is assessed for potential impairment if events occur or circumstances change that indicate the fair value of the Company may be less than its carrying value. The Company has elected to test goodwill for impairment at the entitywide level.

No impairment charge was recognized during the years ended December 31, 2025 and 2024.

Revenue Recognition

The terms of the franchise agreements for the Company are typically 10 years. As part of each agreement, the Company identified one performance obligation that requires the Company to provide a combination of the following in exchange for the defined transaction price:

- **Intellectual Property (IP)** - Licenses grant an exclusive right to establish and operate a business under the trademarks.
- **Continuing Consulting Services** - These services include the review of plans; equipment and merchandise selection; and establishment and implementation of administrative, bookkeeping, accounting, inventory control, and general operating procedures.
- **Operations Manual and Brand-specific Training Services** - These provide training programs, operating manuals, development of standards, and pricing policies specific to the various brands.
- **Preopening Services** - These provide primarily site selection, training programs, and setting up the franchisee records.

The Company determined that the services noted above represent a set of integrated or highly interrelated tasks/services and are, therefore, accounted for as a single performance obligation of providing the franchise license. This type of license is satisfied over time since the customer simultaneously receives and consumes the benefit as the entity performs its obligation to provide access and, therefore, meets the criterion of recognizing revenue over time. Revenue earned from providing these services is identified as royalty fees, initial franchise fee revenue, and promotional fund revenue on the accompanying consolidated statement of operations.

The Company's professional service fees include snow removal, landscaping, professional kitchen hood cleaning, and professional floor cleaning where there is no franchise territory. Revenue is recognized over time as the services are rendered. Long-term contracts do not exist for these services, and all work is typically completed within a 24-hour period.

December 31, 2025 and 2024

Note 2 - Significant Accounting Policies (Continued)

The Company's product revenue primarily includes sales of chemicals and soak tanks to franchisees. Revenue is recognized at the time the product is shipped.

Payment Terms

Initial franchise fees are due and typically paid when a franchise agreement is executed and are nonrefundable. These fees are collected prior to the satisfaction of the Company's performance obligations, resulting in the Company recognizing deferred revenue contract liabilities. The portion of contract liabilities that is expected to be recognized as revenue within one year is classified as current on the consolidated balance sheet. Deferred initial franchise fees as of January 1, 2024 equaled \$1,065,469. Royalties and promotional fund fees are paid on a monthly basis based upon a percentage of franchisee gross sales. Technology fees are paid on a monthly basis based upon a fixed amount. Professional service fees and product revenue fees are due 30 days from when the service is performed or when the product is shipped.

Allocating the Transaction Price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to service customers. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that the agreements will not be canceled, renewed, or modified.

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and advertising fees, as the transaction price is based on the franchisees' sales. The variable consideration is recognized based on the actual amounts incurred each month.

Costs to Obtain a Franchise Agreement

The Company incurs commission costs to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue, which is recognized over time. As a result, the commission costs are capitalized as deferred commission costs and are expensed over the term of the respective franchise agreement, which is typically 10 years. The current portion of deferred commission costs are included within prepaid expenses and other current assets in the consolidated balance sheet.

Advertising Expense

In accordance with the Company's franchise agreements, franchisees pay a percentage of monthly sales to the brand's promotional fund to be used for advertising, marketing, and other promotional purposes. Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2025 and 2024 was \$3,102,129 and \$895,604, respectively.

Income Taxes

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2 - Significant Accounting Policies (Continued)

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Debt Issuance Costs

Debt issuance costs were incurred by the Company in connection with obtaining the debt to finance one of the business combinations disclosed in Note 3. These costs are recorded as a reduction in the recorded balance of the outstanding debt. The costs are amortized over the term of the related debt and reported as a component of interest expense.

Foreign Currency Translation

The reporting currency of the Company is the U.S. dollar (USD). The Company's functional currency for its operations in Canada is the Canadian dollar (CAD). Assets and liabilities are translated using the exchange rates as of year end, and revenue and expenses are translated using average exchange rates. Equity is translated at historical rates, with resulting translation gains and losses included in the Company's consolidated statement of stockholders' equity as a component of accumulated other comprehensive loss.

Gains and losses arising from foreign currency transactions are included in the consolidated statement of operations in operating expenses. Intercompany balances denominated in a currency other than the functional currency of the parties to the transaction create foreign currency gains and losses that survive consolidation, even though the intercompany balances do not.

Use of Estimates

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

A significant estimate made by management in the preparation of the consolidated financial statements includes, among other estimates, the determination of the purchase price allocations and the related valuation of intangible assets and other assets and liabilities acquired.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including March 26, 2026, which is the date the financial statements were available to be issued.

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3 - Business Combinations

U.S. Lawns, Inc.

On January 12, 2024, Clintar, Inc. acquired 100 percent of the outstanding common stock of U.S. Lawns, Inc. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the landscaping and snow removal industry.

The following table summarizes the fair value of the consideration transferred as part of the acquisition:

Fair value of total consideration transferred - Cash	\$ 51,135,157
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The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	\$ 400
Accounts receivable	1,342,787
Prepays and other assets	570,015
Property and equipment	174,981
Right-of-use assets	645,805
Intangible assets	18,874,000
Deferred tax assets	224,000
Accounts payable	(351,966)
Deferred franchise fees	(887,695)
Lease liabilities	(645,805)
Accrued expenses	(181,336)
Total identifiable net assets	19,765,186
Goodwill	31,369,971
Total	\$ 51,135,157

The fair value of financial assets includes accounts receivable with a gross contractual value of \$1,806,559, of which \$463,772 is expected to be uncollectible.

Identifiable intangible assets acquired and subject to amortization include the trade name and franchise agreements with estimated useful lives of 15 years. The fair value of the trade name was determined using a relief from royalty method, and the fair value of the franchise agreements was determined using a multiperiod excess earnings method.

Goodwill was recognized for the excess of the purchase price over the fair value of the net assets acquired. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately \$1,571,000 and have been included in operating expenses on the accompanying consolidated statement of operations.

Restoration Specialties Holdings, LLC

On June 17, 2024, Clintar, Inc. acquired 100 percent of the outstanding membership interests of Restoration Specialties Holdings, LLC. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the specialty restoration industry.

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3 - Business Combinations (Continued)

The following table summarizes the fair value of the consideration transferred as part of the acquisition:

Cash	\$ 20,272,444
Noncash rollover equity - Common stock	2,000,000
	<u>22,272,444</u>
Fair value of total consideration transferred	<u>\$ 22,272,444</u>

The fair value of the 1,019 shares of common stock issued as noncash rollover equity was based on a valuation of the Company's stock using an option-pricing model. See Note 11 for further details.

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	\$ 258,509
Accounts receivable	169,901
Prepays and other assets	44,669
Property and equipment	15,441
Right-of-use assets	70,508
Intangible assets	12,740,000
Deferred tax assets	203,000
Accounts payable	(60,981)
Deferred franchise fees	(698,852)
Lease liabilities	(70,508)
Accrued expenses	<u>(385,287)</u>
Total identifiable net assets	12,286,400
Goodwill	<u>9,986,044</u>
Total	<u>\$ 22,272,444</u>

The fair value of financial assets includes accounts receivable with a gross contractual value of \$169,901.

Identifiable intangible assets acquired and subject to amortization include the trade name and franchise agreements with estimated useful lives of 15 years. The fair value of the trade name was determined using a relief from royalty method, and the fair value of the franchise agreements was determined using a multiperiod excess earnings method.

Goodwill was recognized for the excess of the purchase price over the fair value of the net assets acquired. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately \$2,559,364 and have been included in operating expenses on the accompanying consolidated statement of operations.

The Seals Franchising, LLC

On February 3, 2025, Clintar, Inc. acquired 100 percent of the outstanding membership interests of The Seals Franchising, LLC. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the commercial refrigeration gasket repair and kitchen service industry.

Goodwill of \$1,480,028 was recognized as part of the acquisition, which approximated the fair value of the cash consideration transferred. The acquisition-date fair value of assets acquired and liabilities assumed was insignificant. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3 - Business Combinations (Continued)

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately \$434,000 and have been included in operating expenses on the accompanying consolidated statement of operations.

1 Tom Plumber Global, LLC

On November 28, 2025, Clintar, Inc. acquired 100 percent of the outstanding membership interests of 1 Tom Plumber Global, LLC. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the full-service plumbing, drain cleaning, and water damage restoration industry.

The following table summarizes the fair value of the consideration transferred as part of the acquisition:

Cash	\$ 33,138,687
Noncash rollover equity - Common stock	<u>12,000,000</u>
Fair value of total consideration transferred	<u><u>\$ 45,138,687</u></u>

The fair value of the 3,389 shares of common stock issued as noncash rollover equity was based on a valuation of the Company's stock using an option-pricing model. See Note 11 for further details.

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	\$ 291,364
Accounts receivable	400,408
Property and equipment	122,800
Right-of-use assets	79,819
Intangible assets	17,979,000
Accounts payable	(3,928)
Deferred franchise fees	(1,927,838)
Lease liabilities	(79,819)
Accrued expenses	(73,568)
Deferred tax liabilities	<u>(731,842)</u>
Total identifiable net assets	16,056,396
Goodwill	<u>29,082,291</u>
Total	<u><u>\$ 45,138,687</u></u>

The fair value of financial assets includes accounts receivable with a gross contractual value of \$400,408.

Identifiable intangible assets acquired and subject to amortization include the trade name and franchise agreements with estimated useful lives of 15 years. The fair value of the trade name was determined using a relief from royalty method, and the fair value of the franchise agreements was determined using a multiperiod excess earnings method.

Goodwill was recognized for the excess of the purchase price over the fair value of the net assets acquired. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately \$2,337,000 and have been included in operating expenses on the accompanying consolidated statement of operations.

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 4 - Accounts Receivable Credit Losses Allowance

The activity in the allowance for credit losses is as follows:

	2025	2024
Balance - January 1	\$ 1,214,135	\$ 612,069
Additions charged to expense	243,727	574,457
Deductions/Write-offs	(394,056)	27,609
Other	646,900	-
Balance - December 31	<u>\$ 1,710,706</u>	<u>\$ 1,214,135</u>

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	2025	2024	Depreciable Life - Years
Machinery and equipment	\$ -	\$ 107,831	5
Transportation equipment	136,143	436,727	5
Furniture and fixtures	87,845	85,764	5
Computer equipment and software	367,802	504,489	5
Leasehold improvements	-	211,493	5-15
Total cost	591,790	1,346,304	
Accumulated depreciation	378,966	565,442	
Net property and equipment	<u>\$ 212,824</u>	<u>\$ 780,862</u>	

Depreciation expense for 2025 and 2024 was \$246,161 and \$299,864, respectively.

Note 6 - Intangible Assets and Goodwill

Intangible assets and goodwill of the Company at December 31, 2025 and 2024 are summarized as follows:

	2025		2024	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets and goodwill:				
Trade names	\$ 12,241,614	\$ 2,563,564	\$ 9,318,987	\$ 990,971
Franchise agreements	42,605,415	2,939,495	27,684,513	1,923,675
Goodwill	89,785,500	14,825,414	59,465,661	8,644,196
Total amortized intangible assets	<u>\$ 144,632,529</u>	<u>\$ 20,328,473</u>	<u>\$ 96,469,161</u>	<u>\$ 11,558,842</u>

Amortization expense for intangible assets and goodwill totaled \$8,959,698 and \$7,046,776 for the years ended December 31, 2025 and 2024, respectively.

Goodwill totaling approximately \$30,562,000 and \$41,356,000 was added during 2025 and 2024, respectively, as a result of the acquisitions disclosed in Note 3.

Net goodwill of approximately \$4,110,000 and \$4,755,000 is held by an entity in a foreign jurisdiction at December 31, 2025 and 2024, respectively.

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 6 - Intangible Assets and Goodwill (Continued)

Estimated amortization expense for the years ending December 31 is as follows:

Years Ending	Amount
2026	\$ 12,635,019
2027	12,635,019
2028	12,635,019
2029	12,635,019
2030	12,635,019
Thereafter	61,128,961
Total	<u>\$ 124,304,056</u>

Note 7 - Long-term Debt

Long-term debt at December 31 is as follows:

	2025	2024
Term loan with a bank requiring quarterly principal payments equal to 0.25 percent of the original loan balance of \$36,000,000 (or \$90,000), including interest at the adjusted term SOFR or ABR, plus the applicable margin (an effective rate of approximately 8.90 and 9.36 percent at December 31, 2025 and 2024, respectively). The note is collateralized by all assets of the Company and matures on June 17, 2030, at which time a balloon payment for the remainder of the balance is due. The Company is subject to a quarterly total net leverage ratio covenant	\$ 35,460,000	\$ 35,820,000
Delayed draw term loan commitment of \$25,000,000 with a bank requiring quarterly principal payments, equal to 0.25 percent of the aggregate principal amount outstanding at the beginning of each calendar quarter, including interest at the adjusted term SOFR or ABR, plus the applicable margin (an effective rate of approximately 8.90 at December 31, 2025). The note is collateralized by all assets of the Company and matures on June 17, 2030, at which time a balloon payment for the remainder of the balance is due. The Company is subject to a quarterly total net leverage ratio covenant	21,985,000	-
Unamortized debt issuance costs	(774,635)	(962,865)
Long-term debt less unamortized debt issuance costs	56,670,365	34,857,135
Less current portion	580,000	360,000
Long-term portion	<u>\$ 56,090,365</u>	<u>\$ 34,497,135</u>

The balance of the above debt matures as follows:

Years Ending	Amount
2026	\$ 580,000
2027	580,000
2028	580,000
2029	580,000
2030	55,125,000
Unamortized debt discount	(774,635)
Total	<u>\$ 56,670,365</u>

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 7 - Long-term Debt (Continued)

In addition to the long-term debt disclosed above, the Company has a revolver commitment of \$7,000,000. The revolver commitment terminates on June 17, 2030. The revolver commitment is subject to the same interest rate and quarterly total net leverage ratio covenant as the term loans described above. There were no amounts outstanding on the revolver commitment as of December 31, 2025 and 2024.

Note 8 - Leases

The right-of-use assets and related lease liabilities have been calculated using discount rates ranging from 3.46 percent to 4.75 percent. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs.

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2026	\$ 232,913
2027	164,522
2028	112,021
Total	509,456
Less amount representing interest	23,080
Present value of net minimum lease payments	486,376
Less current obligations	208,850
Long-term obligations under leases	\$ 277,526

Expenses recognized under these leases for the years ended December 31, 2025 and 2024 consist of the following:

	2025	2024
Lease cost - Operating lease cost	\$ 461,083	\$ 604,548
Other information:		
Cash paid for amounts included in the measurement of lease liabilities - Operating cash flows from operating leases	\$ 395,143	\$ 487,973
Weighted-average remaining lease term (years) - Operating leases	2.67	3.42
Weighted-average discount rate - Operating leases	4.0 %	4.2 %

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 9 - Income Taxes

The components of the income tax provision included in the consolidated statement of operations are all attributable to continuing operations and are detailed as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Current tax expense	\$ 494,172	\$ 1,537,807
Foreign - Deferred tax recovery	(10,886)	390,415
Federal - Deferred tax recovery	(731,842)	-
Total income tax (recovery) expense	<u>\$ (248,556)</u>	<u>\$ 1,928,222</u>

The details of the net deferred tax liability at December 31 are as follows:

	2025	2024
Total deferred tax liabilities	\$ (1,288,224)	\$ (1,204,963)
Total deferred tax assets	8,658,141	6,240,677
Valuation allowance recognized for deferred tax assets	(8,396,253)	(6,072,936)
Total	<u>\$ (1,026,336)</u>	<u>\$ (1,037,222)</u>

Estimated taxes payable as of December 31, 2025 and 2024 equaled \$2,374,926 and \$1,295,818, respectively, all of which relate to 2792705 Ontario Inc. and TruServe Groundscare Inc. and are owed to the Canada Revenue Agency.

Note 10 - Related Party Transactions

The Company signed consulting services agreements with affiliates of the majority equity holder of the Company to provide for certain consulting and advisory services. The agreements also require periodic reimbursement of out-of-pocket expenses associated with such services. There was \$518,887 and \$593,551 expensed under these agreements for the years ended December 31, 2025 and 2024, respectively, which was included in operating expenses in the consolidated statements of operations.

Note 11 - Stockholders' Equity

Common Stock

The Company has 300,000 shares of common stock authorized and 64,773 and 55,680 shares issued and outstanding as of December 31, 2025 and 2024, respectively, with a par value of \$0.01.

Stock Options

The Company's 2020 Equity Incentive Plan (the "Plan") permits the grant of stock options to the Company's employees and members of the board of directors. The Company believes that such awards better align the interests of its employees with those of its stockholders. Stock options are granted with an exercise price equal to the estimated fair value of the Company's common stock at the grant date. The plan administrator may determine the time or times at which a stock option granted will vest or become exercisable and the terms that require exercisability of a stock option. Generally, the stock options issued vest over a period of seven years. However, upon the occurrence of a change in control event, all options granted will become immediately exercisable.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 11 - Stockholders' Equity (Continued)

The fair value of each time-based vesting stock option is estimated on the date of grant using a Black-Scholes-based valuation model that uses various assumptions regarding the (1) expected volatility in the fair value of the Company's common stock, (2) expected term of the award, (3) expected dividend yield on the underlying common stock, (4) risk-free interest rate based on the U.S. Treasury yield curve, and (5) current price of the underlying common stock. The Company based its expected volatility calculation upon similar, publicly traded companies tracked over a five-year period. The Company has assumed the vesting term as the expected life of the stock options based on when a change of control is expected to occur. The Company did not contemplate any expected dividends. A U.S. Treasury bond rate was utilized as of the respective grant date in line with the expected life of the options.

EverSmith Brands Holding Company and Subsidiaries

Consolidated Financial Report
December 31, 2024

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Independent Auditor's Report

To the Board of Directors
EverSmith Brands Holding Company and Subsidiaries

Opinion

We have audited the consolidated financial statements of EverSmith Brands Holding Company and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2024 and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Prior Year Consolidated Financial Statements

The consolidated financial statements of EverSmith Brands Holding Company and Subsidiaries as of December 31, 2023 were audited by other auditors, who expressed an unmodified opinion on those statements on March 28, 2024.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

To the Board of Directors
EverSmith Brands Holding Company and Subsidiaries

In performing an audit in accordance with GAAS, we:

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

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

Plante & Moran, PLLC

March 25, 2025

EverSmith Brands Holding Company and Subsidiaries

Consolidated Balance Sheet

December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash	\$ 3,515,558	\$ 2,711,279
Advertising fund restricted cash and restricted assets	100,458	328,234
Accounts receivable - Net	7,114,904	3,615,646
Unbilled revenue	349,380	610,886
Notes receivable	425,473	-
Prepaid expenses and other current assets	1,573,314	477,175
Total current assets	13,079,087	7,743,220
Property and Equipment - Net	780,862	796,019
Operating Lease Right-of-use Assets - Net	1,240,113	1,130,780
Goodwill - Net	50,821,465	14,725,847
Intangible Assets - Net	34,088,854	4,261,233
Other Assets		
Deferred commission costs - Net of current portion	2,262,584	593,583
Notes receivable - Net of current portion	286,916	-
Other	50,609	-
Total other assets	2,600,109	593,583
Total assets	\$ 102,610,490	\$ 29,250,682
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 4,966,278	\$ 2,158,915
Current portion of long-term debt	360,000	-
Current portion of operating lease liabilities	507,060	422,328
Deferred franchise fees	692,354	139,360
Accrued and other current liabilities:		
Taxes payable	1,295,818	-
Accrued compensation	2,802,812	529,572
Other accrued liabilities	1,395,399	1,282,175
Total current liabilities	12,019,721	4,532,350
Long-term Debt - Net of current portion	34,497,135	-
Operating Lease Liabilities - Net of current portion	733,773	723,255
Other Long-term Liabilities		
Deferred franchise fees - Net of current portion	4,101,540	926,109
Deferred tax liabilities	1,037,222	1,073,807
Total liabilities	52,389,391	7,255,521
Stockholders' Equity	50,221,099	21,995,161
Total liabilities and stockholders' equity	\$ 102,610,490	\$ 29,250,682

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Operations

Years Ended December 31, 2024 and 2023

	2024	2023
Net Revenue		
Royalty fees	\$ 13,835,697	\$ 5,676,883
Professional service fees	15,893,981	15,647,169
Product revenue	2,874,230	119,685
Initial franchise fee revenue	780,004	94,011
Promotional fund revenue	416,122	315,957
Other	1,234,883	315,452
Total net revenue	35,034,917	22,169,157
Cost of Professional Service Fees Revenue	14,085,134	11,634,041
Gross Profit	20,949,783	10,535,116
Operating Expenses	34,186,155	16,573,859
Operating Loss	(13,236,372)	(6,038,743)
Nonoperating Income (Expense)		
Interest income	82,328	-
Other (expense) income	(45,331)	16,794
Interest expense	(2,181,596)	-
Total nonoperating (expense) income	(2,144,599)	16,794
Loss - Before income taxes	(15,380,971)	(6,021,949)
Income Tax Expense	1,928,222	421,961
Consolidated Net Loss	(17,309,193)	(6,443,910)
Other Comprehensive (Loss) Income - Foreign currency translation adjustment	(697,817)	284,764
Comprehensive Loss	\$ (18,007,010)	\$ (6,159,146)

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Stockholders' Equity

	Years Ended December 31, 2024 and 2023				
	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance - January 1, 2023	\$ 214	\$ 23,852,537	\$ (8,098,798)	\$ (892,760)	\$ 14,861,193
Consolidated net loss	-	-	(6,443,910)	-	(6,443,910)
Issuance of common stock	74	13,220,486	-	-	13,220,560
Stock-based compensation	-	72,554	-	-	72,554
Foreign currency translation adjustment	-	-	-	284,764	284,764
Balance - December 31, 2023	288	37,145,577	(14,542,708)	(607,996)	21,995,161
Consolidated net loss	-	-	(17,309,193)	-	(17,309,193)
Issuance of common stock	269	46,135,855	-	-	46,136,124
Stock-based compensation	-	100,595	-	-	100,595
Foreign currency translation adjustment	-	-	-	(697,817)	(697,817)
Dividends	-	-	(3,771)	-	(3,771)
Balance - December 31, 2024	557	83,382,027	(31,855,672)	(1,305,813)	50,221,099

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Consolidated net loss	\$ (17,309,193)	\$ (6,443,910)
Reconciliation of consolidated net loss to net cash and restricted cash from operating activities - Net of assets acquired and liabilities assumed in business acquisitions:		
Depreciation and amortization expense	7,346,640	2,047,036
Noncash lease expense	(14,083)	12,811
Stock compensation expense	100,595	72,554
Deferred income taxes	390,415	421,961
Bad debt expense	574,457	258,348
Debt issuance cost amortization	79,635	-
Changes in operating assets and liabilities - Net of assets acquired and liabilities assumed:		
Accounts receivable and unbilled revenue	(2,299,521)	(610,559)
Advertising fund restricted assets and liabilities	-	(209,286)
Deferred commission costs	(1,669,001)	(372,636)
Prepaid expenses and other current assets	(260,403)	(162,781)
Accounts payable	2,394,416	(224,092)
Taxes payable	1,295,818	-
Deferred revenue	2,141,878	540,915
Accrued compensation and other accrued liabilities	1,819,841	18,771
Net cash and restricted cash used in operating activities	(5,408,506)	(4,650,868)
Cash Flows from Investing Activities		
Business acquisitions - Net of cash acquired	(71,148,692)	(9,234,628)
Purchase of property and equipment	(94,285)	(190,387)
Proceeds from sale of property and equipment	-	25,737
Issuance of notes receivable	(712,389)	-
Net cash and restricted cash used in investing activities	(71,955,366)	(9,399,278)
Cash Flows from Financing Activities		
Proceeds from issuance of common stock	44,136,124	12,170,560
Proceeds from debt	36,000,000	-
Payments on debt	(180,000)	-
Debt issuance costs	(1,042,500)	-
Distribution of equity interests	(3,771)	-
Net cash and restricted cash provided by financing activities	78,909,853	12,170,560
Net Effect of Exchange Rate Changes on Cash and Restricted Cash	(697,817)	(391,110)
Net Increase (Decrease) in Cash and Restricted Cash	848,164	(2,270,696)
Cash and Restricted Cash - Beginning of year	2,767,852	5,038,548
Cash and Restricted Cash - End of year	\$ 3,616,016	\$ 2,767,852
Classification of Cash and Restricted Cash		
Cash	\$ 3,515,558	\$ 2,711,279
Restricted cash	100,458	56,573
Total cash and restricted cash	\$ 3,616,016	\$ 2,767,852
Supplemental Cash Flow Information - Cash paid for interest	\$ 2,181,596	\$ -
Significant Noncash Transactions - Fair value of rollover equity issued for business acquisitions	\$ 2,000,000	\$ 1,050,000

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 1 - Nature of Business

EverSmith Brands Holding Company and Subsidiaries (the "Company") includes its wholly owned subsidiaries, EverSmith Brands Intermediate Holding Company; 2792705 Ontario Inc.; TruServe Groundscare Inc.; Clintar, Inc.; Clintar Franchising, Inc.; milliCare, Inc.; milliCare Franchising, LLC; Kitchen Guard Franchising, Inc.; Green Guard Services, LLC; U.S. Lawns, Inc.; and Restoration Specialties Franchise Group, LLC.

The Company's subsidiaries are principally engaged as franchisors of brands, which provide various services such as landscaping, snow removal, operating floor and textile care, commercial kitchen exhaust cleaning, and specialty restoration. In addition, certain landscaping and snow removal services are provided directly to customers where franchising territories do not exist.

Note 2 - Significant Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Company has elected to adopt certain accounting alternatives for private companies developed by the Private Company Council, including the alternative for accounting for goodwill and intangibles.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Cash

The Company maintains cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Additionally, the Company maintains cash in various foreign institutions amounting to \$2,918,789 and \$1,429,696 as of December 31, 2024 and 2023, respectively, converted at year-end exchange rates.

Restricted Cash

In accordance with certain brands' franchise agreements, certain cash accounts established for promotional or advertising contributions and spending are restricted in their use for cash collected by the promotional fund, usage of which is restricted for advertising activities and is included in advertising fund restricted cash on the accompanying consolidated balance sheet.

Accounts Receivable

Trade accounts receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. At December 31, 2024 and 2023, the Company recorded an allowance for credit losses in the amount of \$1,214,135 and \$612,069, respectively. The Company evaluates the collectibility of its accounts receivable and determines the appropriate allowance for expected credit losses based on a combination of factors, including the aging of the receivables, historical collection trends, and charge-offs, and includes adjustments for current economic conditions and reasonable and supportable forecasts. The Company calculates the allowance using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. When the Company is aware of a franchisee or customer's inability to meet its financial obligation, the Company may individually evaluate the related receivable to determine the allowance for expected credit losses. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Accounts receivable, net of allowance, as of January 1, 2023 equaled \$2,568,780.

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 2 - Significant Accounting Policies (Continued)

Unbilled Revenue

The Company records royalty revenue that has been recognized but not invoiced to its franchisees in unbilled revenue until the respective amount is invoiced, which is then included within accounts receivable. Unbilled revenue is included within current assets, as the amounts are similar to accounts receivable and are short term in nature.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method. Assets are depreciated over their estimated useful lives. The cost of leasehold improvements is depreciated (amortized) over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Leases

The Company has operating leases primarily for various office spaces that have lease terms that range from 3 to 5 years, some of which include renewal and termination options that can be elected by the Company. The Company recognizes expense for operating leases on a straight-line basis over the lease term. The Company made a policy election not to separate lease and nonlease components for all operating leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

The Company elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all operating leases.

Intangible Assets

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets, which range from 6 to 20 years. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

The Company has elected to apply the private company accounting alternative for intangible assets acquired in a business combination developed by the Private Company Council. Under the accounting alternative, certain acquired customer-related intangible assets and noncompetition agreements are not separately recognized apart from goodwill.

Goodwill

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. The Company has adopted the provisions of ASU No. 2021-08, *Business Combinations: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (Topic 805)*, which requires companies to record contracts with customers based on the guidance under ASC 606 rather than at fair value.

The Company has elected to apply the private company accounting alternative for goodwill developed by the Private Company Council. Under the accounting alternative, goodwill is amortized on a straight-line basis over a 10-year period. Additionally, goodwill is assessed for potential impairment if events occur or circumstances change that indicate the fair value of the Company may be less than its carrying value. The Company has elected to test goodwill for impairment at the entitywide level.

No impairment charge was recognized during the years ended December 31, 2024 and 2023.

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 2 - Significant Accounting Policies (Continued)

Revenue Recognition

The terms of the franchise agreements for the Company are typically 10 years. As part of each agreement, the Company identified one performance obligation that requires the Company to provide a combination of the following in exchange for the defined transaction price:

- **Intellectual Property (IP)** - Licenses grant an exclusive right to establish and operate a business under the trademarks.
- **Continuing Consulting Services** - These services include the review of plans; equipment and merchandise selection; and establishment and implementation of administrative, bookkeeping, accounting, inventory control, and general operating procedures.
- **Operations Manual and Brand-specific Training Services** - These provide training programs, operating manuals, development of standards, and pricing policies specific to the various brands.
- **Preopening Services** - These provide primarily site selection, training programs, and setting up the franchisee records.

The Company determined that the services noted above represent a set of integrated or highly interrelated tasks/services and are, therefore, accounted for as a single performance obligation of providing the franchise license. This type of license is satisfied over time since the customer simultaneously receives and consumes the benefit as the entity performs its obligation to provide access and, therefore, meets the criterion of recognizing revenue over time. Revenue earned from providing these services is identified as royalty fees, initial franchise fee revenue, and promotional fund revenue on the accompanying consolidated statement of operations.

The Company's professional service fees include snow removal, landscaping, professional kitchen hood cleaning, and professional floor cleaning where there is no franchise territory. Revenue is recognized over time as the services are rendered. Long-term contracts do not exist for these services, and all work is typically completed within a 24-hour period.

The Company's product revenue primarily includes sales of chemicals and soak tanks to franchisees. Revenue is recognized at the time the product is shipped.

Payment Terms

Initial franchise fees are due and typically paid when a franchise agreement is executed and are nonrefundable. These fees are collected prior to the satisfaction of the Company's performance obligations, resulting in the Company recognizing deferred revenue contract liabilities. The portion of contract liabilities that is expected to be recognized as revenue within one year is classified as current on the consolidated balance sheet. Deferred initial franchise fees as of January 1, 2023 equaled \$522,603. Royalties and promotional fund fees are paid on a monthly basis based upon a percentage of franchisee gross sales. Technology fees are paid on a monthly basis based upon a fixed amount. Professional service fees and product revenue fees are due 30 days from when the service is performed or when the product is shipped.

Allocating the Transaction Price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to service customers. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that the agreements will not be canceled, renewed, or modified.

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 2 - Significant Accounting Policies (Continued)

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and advertising fees, as the transaction price is based on the franchisees' sales. The variable consideration is recognized based on the actual amounts incurred each month.

Costs to Obtain a Franchise Agreement

The Company incurs commission costs to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue, which is recognized over time. As a result, the commission costs are capitalized as deferred commission costs and are expensed over the term of the respective franchise agreement, which is typically 10 years.

Advertising Expense

In accordance with the Company's franchise agreements, franchisees pay a percentage of monthly sales to the brand's promotional fund to be used for advertising, marketing, and other promotional purposes. Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2024 and 2023 was \$895,604 and \$843,644, respectively.

Income Taxes

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Debt Issuance Costs

Debt issuance costs were incurred by the Company in connection with obtaining the debt to finance one of the business combinations disclosed in Note 3. These costs are recorded as a reduction in the recorded balance of the outstanding debt. The costs are amortized over the term of the related debt and reported as a component of interest expense.

Notes to Consolidated Financial Statements**December 31, 2024 and 2023****Note 2 - Significant Accounting Policies (Continued)*****Foreign Currency Translation***

The reporting currency of the Company is the U.S. dollar (USD). The Company's functional currency for its operations in Canada is the Canadian dollar (CAD). Assets and liabilities are translated using the exchange rates as of year end, and revenue and expenses are translated using average exchange rates. Equity is translated at historical rates, with resulting translation gains and losses included in the Company's consolidated statement of stockholders' equity as a component of accumulated other comprehensive loss.

Gains and losses arising from foreign currency transactions are included in the consolidated statement of operations in operating expenses. Intercompany balances denominated in a currency other than the functional currency of the parties to the transaction create foreign currency gains and losses that survive consolidation, even though the intercompany balances do not.

Use of Estimates

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

Significant estimates made by management in the preparation of the consolidated financial statements include, among other estimates, the determination of the purchase price allocations and the related valuation of intangible assets and other assets and liabilities acquired, depreciation and amortization, useful lives, stock-based compensation, and the allowance for credit loss accounts.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including March 25, 2025, which is the date the financial statements were available to be issued.

Note 3 - Business Combinations***GG Services Holdings, Inc.***

On April 10, 2023, Clintar, Inc. acquired the membership interests of GG Services Holdings, Inc. (Green Guard Services). As a result of this transaction, the purchase price was allocated to Green Guard Services' balance sheet, resulting in a new basis of accounting. This included a step-up of certain assets to fair value and the recognition of certain identifiable intangible assets, as provided for under the purchase method of accounting. The following table summarizes the fair value of the consideration transferred as part of the acquisition of Green Guard Services:

Capital contributions	\$ 10,941,894
Rollover equity	1,050,000
Net working capital adjustment	<u>(199,243)</u>
Fair value of total consideration transferred	<u><u>\$ 11,792,651</u></u>

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 3 - Business Combinations (Continued)

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	\$ 1,508,023
Accounts receivable	667,211
Other assets	69,896
Property and equipment	495,695
Separately identifiable intangible assets	583,000
Operating right-of-use assets	1,072,909
Accounts payable	(94,630)
Accrued expenses	(79,243)
Accrued compensation	(80,307)
Operating lease obligations	(1,072,909)
Total identifiable net assets	3,069,645
Goodwill	8,723,006
Total	\$ 11,792,651

Intangible assets acquired consist of trade names of \$583,000. The Company did not separately value the customer relationships or noncompete intangible assets from goodwill in accordance with the private company alternative available under FASB ASC 805, *Business Combinations*. The fair value of the intangible assets is based on significant inputs that are not observable in the market and, therefore, represent Level 3 measurements under ASC 820-10. The fair value of the trade names was determined under the income approach, specifically the relief from royalty method.

In addition, goodwill of \$8,723,006 was recorded to reflect the excess of the purchase price over the estimated fair value of the net identifiable assets acquired, which is deductible for tax purposes.

The Company incurred \$1,163,894 of acquisition costs, which is included in operating expenses within the accompanying consolidated statement of operations for the year ended December 31, 2023.

U.S. Lawns, Inc.

On January 12, 2024, Clintar, Inc. acquired 100 percent of the outstanding common stock of U.S. Lawns, Inc. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the landscaping and snow removal industry.

The following table summarizes the fair value of the consideration transferred as part of the acquisition:

Fair value of total consideration transferred - Cash	\$ 51,135,157
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EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 3 - Business Combinations (Continued)

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	\$ 400
Accounts receivable	1,342,787
Prepays and other assets	570,015
Property and equipment	174,981
Right-of-use assets	645,805
Intangible assets	18,874,000
Deferred tax assets	224,000
Accounts payable	(351,966)
Deferred franchise fees	(887,695)
Lease liabilities	(645,805)
Accrued expenses	(181,336)
Total identifiable net assets	19,765,186
Goodwill	31,369,971
Total	<u>\$ 51,135,157</u>

The fair value of financial assets includes accounts receivable with a gross contractual value of \$1,806,559, of which \$463,772 is expected to be uncollectible.

Identifiable intangible assets acquired and subject to amortization include the trade name and franchise agreements with estimated useful lives of 15 years. The fair value of the trade name was determined using a relief from royalty method, and the fair value of the franchise agreements was determined using a multiperiod excess earnings method.

Goodwill was recognized for the excess of the purchase price over the fair value of the net assets acquired. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately \$1,571,000 and have been included in operating expenses on the accompanying consolidated statement of operations.

Restoration Specialties Holdings, LLC

On June 17, 2024, Clintar, Inc. acquired 100 percent of the outstanding membership interests of Restoration Specialties Holdings, LLC. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the specialty restoration industry.

The following table summarizes the fair value of the consideration transferred as part of the acquisition:

Cash	\$ 20,272,444
Noncash rollover equity - Common stock	<u>2,000,000</u>
Fair value of total consideration transferred	<u>\$ 22,272,444</u>

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 3 - Business Combinations (Continued)

The fair value of the 1,019 shares of common stock issued as noncash rollover equity was based on a valuation of the Company's stock using an option-pricing model. See Note 11 for further details.

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	\$ 258,509
Accounts receivable	169,901
Prepays and other assets	44,669
Property and equipment	15,441
Right-of-use assets	70,508
Intangible assets	12,740,000
Deferred tax assets	203,000
Accounts payable	(60,981)
Deferred franchise fees	(698,852)
Lease liabilities	(70,508)
Accrued expenses	(385,287)
Total identifiable net assets	12,286,400
Goodwill	9,986,044
Total	<u>\$ 22,272,444</u>

The fair value of financial assets includes accounts receivable with a gross contractual value of \$169,901.

Identifiable intangible assets acquired and subject to amortization include the trade name and franchise agreements with estimated useful lives of 15 years. The fair value of the trade name was determined using a relief from royalty method, and the fair value of the franchise agreements was determined using a multiperiod excess earnings method.

Goodwill was recognized for the excess of the purchase price over the fair value of the net assets acquired. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately \$2,559,364 and have been included in operating expenses on the accompanying consolidated statement of operations.

Note 4 - Accounts Receivable Credit Losses Allowance

The activity in the allowance for credit losses is as follows:

	2024	2023
Balance - January 1	\$ 612,069	\$ 263,852
Additions charged to expense	574,457	258,348
Deductions/Write-offs	27,609	89,869
Balance - December 31	<u>\$ 1,214,135</u>	<u>\$ 612,069</u>

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	2024	2023	Depreciable Life - Years
Machinery and equipment	\$ 107,831	\$ 149,754	5
Transportation equipment	436,727	379,790	5
Furniture and fixtures	85,764	47,071	5
Computer equipment and software	504,489	284,365	5
Leasehold improvements	211,493	205,276	5-15
Total cost	1,346,304	1,066,256	
Accumulated depreciation	565,442	270,237	
Net property and equipment	<u>\$ 780,862</u>	<u>\$ 796,019</u>	

Depreciation expense for 2024 and 2023 was \$299,864 and \$95,833, respectively.

Note 6 - Intangible Assets and Goodwill

Intangible assets and goodwill of the Company at December 31, 2024 and 2023 are summarized as follows:

	2024		2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets and goodwill:				
Trade names	\$ 9,318,987	\$ 990,971	\$ 3,161,987	\$ 435,032
Franchise agreements	27,684,513	1,923,675	2,227,513	693,235
Goodwill	59,465,661	8,644,196	18,109,646	3,383,799
Total amortized intangible assets	<u>\$ 96,469,161</u>	<u>\$ 11,558,842</u>	<u>\$ 23,499,146</u>	<u>\$ 4,512,066</u>

Amortization expense for intangible assets and goodwill totaled \$7,046,776 and \$1,951,203 for the years ended December 31, 2024 and 2023, respectively.

Goodwill totaling approximately \$41,356,000 and \$8,723,000 was added during 2024 and 2023, respectively, as a result of the acquisitions disclosed in Note 3.

Net goodwill of approximately \$4,755,000 is held by an entity in a foreign jurisdiction.

Estimated amortization expense for the years ending December 31 is as follows:

Years Ending	Amount
2025	\$ 8,413,466
2026	8,413,466
2027	8,413,466
2028	8,413,466
2029	8,413,466
Thereafter	42,842,989
Total	<u>\$ 84,910,319</u>

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 7 - Long-term Debt

Long-term debt at December 31, 2024 is as follows:

Term loan with a bank requiring quarterly principal payments equal to 0.25 percent of the original loan balance of \$36,000,000 (or \$90,000), including interest at the adjusted term SOFR or ABR, plus the applicable margin (an effective rate of 9.36 percent at December 31, 2024). The note is collateralized by all assets of the Company and matures on June 17, 2030, at which time a balloon payment for the remainder of the balance is due. The Company is subject to a quarterly total net leverage ratio covenant		\$ 35,820,000
Unamortized debt issuance costs		<u>(962,865)</u>
Long-term debt less unamortized debt issuance costs		34,857,135
Less current portion		<u>360,000</u>
Long-term portion		<u><u>\$ 34,497,135</u></u>

The balance of the above debt matures as follows:

Years Ending	Amount
2025	\$ 360,000
2026	360,000
2027	360,000
2028	360,000
2029	360,000
Unamortized debt discount	(962,865)
Thereafter	<u>34,020,000</u>
Total	<u><u>\$ 34,857,135</u></u>

In addition to the long-term debt disclosed above, the Company has a revolver commitment of \$7,000,000 and a delayed draw term loan commitment of \$25,000,000. The revolver commitment terminates on June 17, 2030, and the delayed draw term loan commitment terminates on June 17, 2026. There were no amounts outstanding for either commitment as of December 31, 2024.

Note 8 - Leases

The right-of-use assets and related lease liabilities have been calculated using discount rates ranging from 3.76 percent to 4.75 percent. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs.

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 8 - Leases (Continued)

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2025	\$ 554,067
2026	403,063
2027	183,382
2028	112,022
Total	1,252,534
Less amount representing interest	11,701
Present value of net minimum lease payments	1,240,833
Less current obligations	507,060
Long-term obligations under leases	\$ 733,773

Expenses recognized under these leases for the years ended December 31, 2024 and 2023 consist of the following:

	2024	2023
Lease cost:		
Operating lease cost	\$ 604,548	\$ 387,752
Short-term lease cost	-	15,294
Total lease cost	\$ 604,548	\$ 403,046
Other information:		
Cash paid for amounts included in the measurement of lease liabilities - Operating cash flows from operating leases	\$ 487,973	\$ 387,752
Weighted-average remaining lease term (years) - Operating leases	3.42	2.82
Weighted-average discount rate - Operating leases	4.2 %	3.2 %

Note 9 - Income Taxes

The components of the income tax provision included in the consolidated statement of operations are all attributable to continuing operations and are detailed as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Foreign - Current tax expense	\$ 1,537,807	\$ 429,044
Foreign - Deferred tax expense (recovery)	390,415	(7,083)
Total income tax expense	\$ 1,928,222	\$ 421,961

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 9 - Income Taxes (Continued)

The details of the net deferred tax liability at December 31 are as follows:

	2024	2023
Total deferred tax liabilities	\$ (1,204,963)	\$ (1,183,957)
Total deferred tax assets	6,240,677	3,251,569
Valuation allowance recognized for deferred tax assets	(6,072,936)	(3,141,419)
Total	<u>\$ (1,037,222)</u>	<u>\$ (1,073,807)</u>

Estimated taxes payable as of December 31, 2024 equaled \$1,295,818, all of which relate to 2792705 Ontario Inc. and TruServe Groundscare Inc. and are owed to the Canada Revenue Agency.

Note 10 - Related Party Transactions

The Company signed consulting services agreements with affiliates of the majority equity holder of the Company to provide for certain consulting and advisory services. The agreements also require periodic reimbursement of out-of-pocket expenses associated with such services. There was \$593,551 and \$610,010 expensed under these agreements for the years ended December 31, 2024 and 2023, respectively, which was included in operating expenses in the consolidated statements of operations.

Note 11 - Stockholders' Equity

Common Stock

The Company has 300,000 shares of common stock authorized and 55,680 and 28,818 shares issued and outstanding as of December 31, 2024 and 2023, respectively, with a par value of \$0.01.

Stock Options

The Company's 2020 Equity Incentive Plan (the "Plan") permits the grant of stock options to the Company's employees and members of the board of directors. The Company believes that such awards better align the interests of its employees with those of its stockholders. Stock options are granted with an exercise price equal to the estimated fair value of the Company's common stock at the grant date. The plan administrator may determine the time or times at which a stock option granted will vest or become exercisable and the terms that require exercisability of a stock option. Generally, the stock options issued vest over a period of seven years. However, upon the occurrence of a change in control event, all options granted will become immediately exercisable.

The fair value of each time-based vesting stock option is estimated on the date of grant using a Black-Scholes-based valuation model that uses various assumptions regarding the: (1) expected volatility in the fair value of the Company's common stock, (2) expected term of the award, (3) expected dividend yield on the underlying common stock, (4) risk-free interest rate based on the U.S. Treasury yield curve, and (5) current price of the underlying common stock. The Company based its expected volatility calculation upon similar, publicly traded companies tracked over a five-year period. The Company has assumed the vesting term as the expected life of the stock options based on when a change of control is expected to occur. The Company did not contemplate any expected dividends. A U.S. Treasury bond rate was utilized as of the respective grant date in line with the expected life of the options.

The specific assumptions used to determine the fair value of the stock options granted were as follows:

	2024	2023
Expected volatility	30.00 %	25.00 %
Expected life (years)	4	7
Risk-free interest rate	4.04 %	4.23 %

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Note 11 - Stockholders' Equity (Continued)

A summary of option activity under the Plan for the years ended December 31, 2024 and 2023 is presented below:

Options	Number of Shares	Weighted- average Exercise Price	Weighted- average Remaining Contractual Term (in Years)
Outstanding at January 1, 2023	1,278	\$ 1,110.00	10.8
Granted	445	1,664.00	9.3
Forfeited or expired	(508)	1,133.00	9.2
Outstanding at December 31, 2023	1,215	1,301.00	9.9
Granted	2,007	1,847.00	6.5
Forfeited or expired	(1,530)	1,443.00	5.7
Outstanding at December 31, 2024	1,692	1,857.00	6.3
Exercisable at December 31, 2023	251	1,093.00	9.9
Exercisable at December 31, 2024	345	1,693.00	5.9

A summary of nonvested shares under the Plan for the years ended December 31, 2024 and 2023 is presented below:

Nonvested Shares	Number of Shares	Weighted- average Grant- date Fair Value
Nonvested at January 1, 2023	1,028	\$ 393.00
Granted	445	630.00
Vested	(166)	364.00
Forfeited or expired	(342)	333.00
Nonvested at December 31, 2023	965	534.00
Granted	2,007	634.00
Vested	(111)	614.00
Forfeited or expired	(1,530)	484.00
Nonvested at December 31, 2024	1,331	682.00

As of December 31, 2024 and 2023, there was \$997,108 and \$478,469, respectively, of total unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the Plan. That cost is expected to be recognized over a weighted-average period of 6.3 years.

Note 12 - Subsequent Events

On February 3, 2025, the Company entered into a membership interest purchase agreement to acquire the outstanding equity interests of The Seals Franchising, LLC in a business acquisition accounted for as a business combination. The purchase price at the date of closing was approximately \$1,400,000, which was funded with a \$2,000,000 draw on the Company's credit facility subsequent to December 31, 2024. As of the date the consolidated financial statements were available to be issued, the purchase price allocation has not been completed.

EXHIBIT F – GUARANTY OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received, EverSmith Brands Holding Company, a Delaware corporation (the "Guarantor"), located at 6700 Forum Drive, Suite 150, Orlando, FL 32821, absolutely and unconditionally guarantees to assume the duties and obligations of 1 Tom Plumber Global LLC, located at 6700 Forum Drive, Suite 150, Orlando, FL 32821 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at 6700 Forum Drive, Ste 150, Orlando, Florida 32821 on the 26th day of March, 2026.

Guarantor:

EverSmith Brands Holding Company

By:

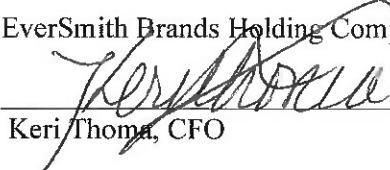

Keri Thoma, CFO

EXHIBIT G – LIST OF STATE ADMINISTRATORS, AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
<u>CALIFORNIA</u>	Department of Financial Protection & Innovation 2101 Arena Boulevard Sacramento, CA 95834 (866) 275-2677	Financial Protection & Innovation Commissioner 2101 Arena Boulevard Sacramento, CA 95834
<u>HAWAII</u>	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2722	Hawaii Commissioner of Securities King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813
<u>ILLINOIS</u>	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, IL 62706
<u>INDIANA</u>	Securities Commissioner Indiana Securities Division Room E 111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
<u>MARYLAND</u>	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020
<u>MICHIGAN</u>	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau 670 Law Building Lansing, MI 48913
<u>MINNESOTA</u>	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101 (651) 296-1600	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
<u>NEW YORK</u>	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005-1495 (212) 416-8222	Secretary of State of New York One Commerce Plaza 99 Washington Ave., 6 th Floor Albany, NY 12231-0001
<u>NORTH DAKOTA</u>	North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 Phone 701-328-2910	North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 Phone 701-328-2910
<u>RHODE ISLAND</u>	Division of Securities Department of Business Registration 1511 Pontiac Avenue John O. Pastore Center, Building 69-1 Cranston, RI 02920	Director of Department of Business Registration 1511 Pontiac Avenue John O. Pastore Center, Building 69- 1 Cranston, RI 02920
<u>SOUTH DAKOTA</u>	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of South Dakota Division of Insurance 124 S. Euclid, Suite 104 Pierre, SD 57501-3185
<u>VIRGINIA</u>	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, First Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 E. Main Street, First Floor Richmond, VA 23219
<u>WASHINGTON</u>	Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98504-1200 (360) 902-8700	Administrator of Securities Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501
<u>WISCONSIN</u>	Commission of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-0448	Wisconsin Commissioner of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT H – TABLE OF CONTENTS OPERATIONS MANUAL

Topic	Approximate Number of Pages
1. Start Up Manual	32
2. General Operations	38
3. Sales Manual	46
4. Owner Manual	45
5. Technician Manual	45
6. Office Manual	49
Total Number of Pages	255

EXHIBIT I – FRANCHISE LISTS

Names, Addresses, and Phone Numbers of Franchisees as of December 31, 2025

Alabama

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1TP - Anaheim CA
AJ Khan
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1TP – Concord CA **
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1TP - St Petersburg FL
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1TP - Buffalo South NY *
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213 College Park Rd
Ladson, South Carolina, 29456
Phone: (864) 364-0132

1TP - Columbia (SC) ***
Mike Wilson
142 Latonea Dr
Columbia, South Carolina, 29210
Phone: (864) 364-0132

1TP - Myrtle Beach SC * ***
Mike Wilson
TBD
Myrtle Beach, South Carolina
Phone: (864) 364-0132

Tennessee

1TP - Nashville TN
Eric Campbell
310 Quecreek Cir
Smyrna, Tennessee, 37167
Phone: (615) 347-6164

1TP - Memphis TN
Michael Harrison
145 Locke Rd
Somerville, Tennessee, 38068
Phone: (901) 494-2452

1TP - Knoxville TN
TJ Wiberley
2808 Sutherland Ave
Knoxville, Tennessee, 37919
Phone: (865) 900-8393

1TP - Pigeon Forge/Gatlinburg TN
TJ Wiberley
2808 Sutherland Ave
Knoxville, Tennessee, 37919
Phone: (865) 900-8393

Texas

1TP - Fort Worth TX
Chris Tucker
5037 Martin Luther King Jr Fwy, Bldg 3
Fort Worth, Texas, 76119
Phone: (817) 371-9120

1TP - Houston TX
John Villon
3635 Willovan, unit 318 b
Houston, Texas, 77054
Phone: (305) 542-6318

1TP - Houston Southeast TX
John Villon
3635 Willovan, unit 318 b
Houston, Texas, 77054
Phone: (305) 542-6318

1TP - Houston North TX
John Villon
3635 Willovan, unit 318 b
Houston, Texas, 77054
Phone: (305) 542-6318

1TP - The Woodlands TX *
John Villon
3635 Willovan, unit 318 b
Houston, Texas, 77054
Phone: (305) 542-6318

1TP - North Side SA TX
Brandon Newman
11549 Old Perrin Beitel Rd #202
San Antonio, Texas, 78217
Phone: (830) 327-8231

1TP - Austin TX
Claire Carreras
9417 Circle Dr, Unit B
Austin, TX 78736
Phone: (512) 460-1455

1TP - Austin South TX
Claire Carreras
9417 Circle Dr, Unit B
Austin, TX 78736
Phone: (512) 460-1455

Utah

1TP - Salt Lake City UT
Chris Empey
15210 S 1800 W
Bluffdale, Utah, 84065
Phone: (801) 718-6470

Virginia

1TP - Purcellville VA *
Sam Chapman
125 E Hirst Rd, Suite A
Purcellville, Virginia, 20312
Phone: (540) 454-7776

1TP - Reston VA *
Sam Chapman
TBD
Reston, Virginia
Phone: (540) 454-7776

1TP - Virginia Beach VA **
Sam Chapman
TBD
Virginia Beach, Virginia
Phone: (540) 454-7776

Washington

1TP - Seattle WA
Craig Hawkins
20109 144th Ave NE
Woodinville, Washington, 98072
Phone: (206) 571-1222

1TP - Tri-Cities (WA)
Greg Rawlings
6250 W Clearwater Ave, Ste 101
Kennewick, Washington, 99336
Phone: (509) 727-3413

1TP - Yakima WA *
Greg Rawlings
3705 W Nob Hill Blvd
Yakima, Washington, 98902
Phone: (509) 727-3413

1TP - Wenatchee WA
Greg Rawlings
104 11th St NE
East Wenatchee, Washington, 98802
Phone: (509) 727-3413

1TP - Olympia WA *
Joyce Gabriel
20223 Old Hwy 99 SW
Centralia, Washington, 98531
Phone: (564) 999-1549

1TP - Morton WA *
Joyce Gabriel
20223 Old Hwy 99 SW
Centralia, Washington, 98531
Phone: (564) 999-1549

1TP - Aberdeen WA *
Joyce Gabriel
20223 Old Hwy 99 SW
Centralia, Washington, 98531
Phone: (564) 999-1549

* Indicates names and addresses of Franchisees who have signed but not opened as of December 31, 2025

** Indicates names and addresses of Franchisees who have signed between January 1 – March 31, 2026.

*** Indicates names and addresses of Franchisees who have closed between January 1 – March 31, 2026.

Names and Addresses of Franchisees who have had their Franchise terminated, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year

Arizona

1TP - Payson AZ
Jesee Clark (deceased)
509 S Beeline Hwy
Payson, AZ 85541

North Carolina

1TP - Wilmington NC *
Mike Wilson
213 College Park Rd
Ladson, South Carolina, 29456
Phone: (864) 364-0132

1TP - Asheville (New) NC
Mike Wilson
5134 Old Haywood Rd
Mills River, North Carolina, 28759
Phone: (864) 364-0132

Ohio

1TP - Cincinnati OH **
Ryan Boyce
24 Whitney Dr, Suite A
Milford, Ohio, 45150
Phone: 1 (513) 256-2517

1TP - Dayton OH **
Ryan Boyce
24 Whitney Dr, Suite A
Milford, Ohio, 45150
Phone: 1 (513) 256-2517

1TP - Springfield OH **
Ryan Boyce
24 Whitney Dr, Suite A
Milford, Ohio, 45150
Phone: 1 (513) 256-2517

South Carolina

1TP - Columbia (SC) *
Mike Wilson
213 College Park Rd
Ladson, South Carolina, 29456
Phone: (864) 364-0132

1TP - Myrtle Beach SC *
Mike Wilson
213 College Park Rd
Ladson, South Carolina, 29456
Phone: (864) 364-0132

Virginia

1TP - Virginia Beach VA
Jamie Johnson
3692 S Plaza Trail, suite 5
Virginia Beach, VA
Phone: (804) 307-9800

1TP - Richmond VA
Jamie Johnson
1760 Bickerstaff Rd
Richmond, VA 23231
Phone: (804) 307-9800

Wisconsin

1TP - Madison WI
Steve and Peter Stadler
217 N Main St
Deerfield, WI 53531
Phone: (608) 341-6777

* Indicates names and addresses of Franchisees who have closed between January 1 – March 31, 2026.

** Converted from a Company Store to a Franchisee in 2025.

EXHIBIT J – STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending Registration
Hawaii	Pending Registration
Illinois	April 20, 2026
Indiana	Effective
Maryland	Pending Registration
Michigan	Effective
Minnesota	Pending Registration
New York	Pending Registration
North Dakota	Pending Registration
Rhode Island	Pending Registration
South Dakota	Effective
Virginia	Pending Registration
Washington	Pending Registration
Wisconsin	April 19, 2026

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 K – RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain English. Read this Disclosure Document and all agreements carefully.

If 1 Tom Plumber Global LLC (Franchisor) 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, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 days before you sign a binding contract or pay any consideration. Connecticut and Michigan require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If 1 Tom Plumber Global 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 you should report it to the Federal Trade Commission, Washington, D.C. 20580, and the applicable state agency listed on Exhibit G to this Disclosure Document.

Franchisor is located at 6700 Forum Drive, Suite 150, Orlando, FL 32821. Its telephone number is 1-855-832-6866. The franchise seller(s) for this offering are Leah Hanlon, Alvaro Leal, Leslie Toole and _____ at that address or _____@1tomplumber.com.

Issuance date: April 1, 2026

Franchisor has authorized the persons listed on Exhibit G to this Disclosure Document to receive service of process for us in states where our franchise is registered.

I have received Franchisor Disclosure Document, dated April 1, 2026 (or the later date set forth for each applicable state on Exhibit J to this Disclosure Document), which includes the following exhibits:

- A Franchise Agreement including forms of Automated Clearing House Payment Authorization; Guaranty and Restriction Agreement; Management Confidentiality and Non-Competition Agreement; Receipt of Operations Manual and Confidentiality Agreement; SBA Addendum
- B Form of General Release
- C Form of Non-Disclosure and Non-Use Agreement
- D Disclosure Document and Agreement Addenda Required by Certain States
- E Financial Statements
- F Guaranty of Performance
- G State Administrators and Agents for Service of Process
- H Table of Contents of Operations Manual
- I Names and Addresses of Franchisees

Date of Signature
(Do not leave blank)

Signature of Prospective Franchisee (for the prospective franchisee and any corporation, partnership or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)

Printed Name: _____

You may return the signed receipt either by signing, dating, and mailing it to 1 Tom Plumber Global LLC, 6700 Forum Drive, Suite 150, Orlando, FL 32821 or by scanning a copy of the signed and dated receipt to Franchisor at angie@1tomplumber.com. You must also keep a copy for your records.

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain English. Read this Disclosure Document and all agreements carefully.

If 1 Tom Plumber Global LLC (Franchisor) 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, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 days before you sign a binding contract or pay any consideration. Connecticut and Michigan require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If 1 Tom Plumber Global 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 you should report it to the Federal Trade Commission, Washington, D.C. 20580, and the applicable state agency listed on Exhibit G to this Disclosure Document.

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- B Form of General Release
- C Form of Non-Disclosure and Non-Use Agreement
- D Disclosure Document and Agreement Addenda Required by Certain States
- E Financial Statements
- F Guaranty of Performance
- G State Administrators and Agents for Service of Process
- H Table of Contents of Operations Manual
- I Names and Addresses of Franchisees

Date of Signature
(Do not leave blank)

Signature of Prospective Franchisee (for the prospective franchisee and any corporation, partnership or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)

Printed Name: _____

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