FRANCHISE DISCLOSURE DOCUMENT

A Safe Pool Franchising, LLC
an Arizona limited liability company
10115 E. Bell Road, Suite 107-626,
Scottsdale, AZ 85260
Phone: (661) 932-1842
Email: jason@asafepool.com
www.asafepool.com

We offer qualified individuals the right to operate a franchised business that sells and installs customized pool safety and maintenance products, including pool safety fences, pool safety nets, pool safety mesh covers, automatic pool covers, leaf pool covers, and pool alarms utilizing certain proprietary marks (including our current primary mark A SAFE POOL) and a proprietary operating system that we and our affiliates/principals have developed.

The total investment necessary to begin operation of an A Safe Pool franchise ranges from $67,300 to $107,500. This includes $54,000 to $69,000 in fees or other payments that must be paid to the franchisor or its affiliates prior to opening.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this disclosure document, the franchise agreement or any other related 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 our corporate office at 10115 E. Bell Road, Suite 107-626, Scottsdale, AZ 85260, or via telephone at (661) 932-1842.

The terms of your franchise agreement will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contracts. Read all of your contracts carefully. Show your contracts 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 (the "FTC"). 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.

Issuance Date: July 2, 2024

©2024 A Safe Pool Franchising, LLC

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only A Safe Pool 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 franchise 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 else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

©2024 A Safe Pool Franchising, LLC

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 that franchise or has verified the information in this document. To find out if your state has a registration requirements, or to contact your state, use the agency information in Exhibit E.

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

©2024 A Safe Pool Franchising, LLC

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 and/or litigation only in Arizona. Out-of-state mediation 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 Arizona than in your own state.

2. **Minimum Payments and Gross Sales**. You must make minimum royalty payments, regardless of your sales levels. You must also meet minimum gross sales levels and your inability to meet those sales levels may result in termination of your franchise and loss of your investment.

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

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

©2024 A Safe Pool Franchising, LLC

TABLE OF CONTENTS

ITEM	PAGE
ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE	3
ITEM 3 LITIGATION	3
ITEM 4 BANKRUPTCY	4
ITEM 5 INITIAL FEES	4
ITEM 6 OTHER FEES	5
ITEM 7 ESTIMATED INITIAL INVESTMENT	9
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	11
ITEM 9 FRANCHISEE'S OBLIGATIONS	13
ITEM 10 FINANCING	14
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	14
ITEM 12 TERRITORY	21
ITEM 13 TRADEMARKS	22
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	24
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	25
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	26
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	26
ITEM 18 PUBLIC FIGURES	32
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	32
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	35
ITEM 21 FINANCIAL STATEMENTS	37
ITEM 22 CONTRACTS	37
ITEM 23 RECEIPTS	37

EXHIBITS

Exhibit A – Franchise Agreement

Exhibit B – Multi-Territory Addendum

Exhibit C – Operations Manual Table of Contents

Exhibit D – Financial Statements

Exhibit E – List of State Administrators and Agents for Service of Process

Exhibit F – State Specific Addenda

Exhibit G – List of Franchisees and Former Franchisees

Exhibit H – State Effective Dates

Exhibit I – Receipts

©2024 A Safe Pool Franchising, LLC

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

The Franchisor is A Safe Pool Franchising, LLC. For ease of reference this Disclosure Document will refer to A Safe Pool Franchising, LLC as "we," "us" "our" and "A Safe Pool." The words "you" and "your" refer to the person to whom we grant a franchise, whether you are a corporation, limited liability company or other business entity. If you are a corporation, limited liability company or other business entity, certain provisions of our franchise agreement attached as Exhibit A (the "Franchise Agreement") also apply to your owners and will be noted.

The Franchisor

We were incorporated in April 2024, under the laws of the State of Arizona. Our principal business address is 10115 E. Bell Road, Suite 107-626, Scottsdale, Arizona. We do business only under our corporate name and our current primary mark A SAFE POOL.

The Franchised Business; Franchisor's other Business Activities

We franchise the right to operate a franchised business that evaluates a customer's needs and subsequently installs customized pool safety equipment and other solutions at that customer's home, including pool safety fences, pool safety nets, pool safety mesh covers, automatic pool covers, leaf pool covers, and pool alarms (collectively, the "Approved Products," and all installation and other authorized services are referred to as the "Approved Services").

If you obtain a franchise, you will have the right to operate the foregoing business (the "Franchised Business") utilizing our proprietary marks and proprietary operating system within a defined territory (the "Designated Territory").

Your Franchised Business must be operated from a location within the Designated Territory that we approve in writing (the "Approved Location"), which will generally be a home office, and you must obtain at least one (1) truck that meets our System standards and specifications for equipment, branding, capability and purpose (the "Approved Vehicle").

Please note that is your responsibility to ensure that any individual personnel of the Franchised Business who are intended or expected to provide certain Approved Services possess the applicable state and/or local contractor licenses and/or certifications necessary to provide those Approved Services.

The Franchised Business operates under our then-current proprietary marks, including our current primary mark A SAFE POOL, as well as our other related service marks, trademarks, or logos that we modify or supplement as we deem advisable (collectively, the "Proprietary Marks"). The Franchised Business operates using the uniform standards, methods, procedures, and specifications developed by us, which may be modified from time to time (the "System").

We first began offering and selling franchises for the right to own and operate a Franchised Business as of the issue date of this disclosure document. We are not engaged in any line of business or activities other than offering franchises in residential pool safety services for homes and businesses.

Multi-Unit Offering

We may, as we deem appropriate in our discretion, offer qualified parties the right to operate the Franchised Business in multiple, contiguous Designated Territories. If we extend you an offer to operate in

©2024 A Safe Pool Franchising, LLC
2024 Franchise Disclosure Document

multiple Designated Territories, you must enter into our then-current form of Multi-Territory Addendum attached to this Disclosure Document as Exhibit B (the "Multi-Territory Addendum").

Once you have (i) entered into the Multi-Territory Addendum, (ii) simultaneously entered into a Franchise Agreement for each Designated Territory in which you will operate the Franchised Business, and (iii) completed all pre-opening obligations under the Franchise Agreement for your initial Designated Territory, including attending and completing the Initial Training Program, you may operate your Franchised Business in each of the Designated Territories granted to you under the Multi-Territory Addendum. You will also be required to pay us a development fee immediately upon execution of your Franchise Agreements and Multi-Territory Addendum (the "Development Fee"), which will vary based on the number of Designated Territories in which we grant you the right to operate under that agreement. Please see Item 5 for additional information on how the Development Fee is calculated. The Development Fee covers the Initial Franchise Fee due under the Franchise Agreement for the Franchised Business.

If you operate in multiple Designated Territories under a Multi-Territory Addendum, then you may operate your Franchised Business in those Designated Territories from the same Approved Location.

Our Parents, Predecessors and any Affiliates

Our Affiliate, Howard Holdings, Inc. ("Howard Holdings"), an Arizona corporation formed on March 12, 2014, and with a principal place of business at 10115 E. Bell Road, Suite 107-626, Scottsdale, AZ 85260, owns our trademarks and licenses them to our organization in a perpetual, royalty-free license agreement. Howard Holdings also sells or leases certain equipment, products and inventory to our franchisees, as described in more detail in this Disclosure Document. Howard Holdings also has one licensee that we intend to convert to a franchisee in 2024.

Other than Howard Holdings, we do not have any parents, predecessors, or affiliates that are required to be disclosed in this Item.

General Description of the Market and Competition

You will target your services almost entirely to homeowners. The industry for pool safety services is competitive and you may have to compete with other businesses including franchised operations, national chains, and independently owned companies offering similar products and services to customers. Sales will be seasonal in many markets and dependent on the months that customers use swimming pools. Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, and changes in supply and demand.

Regulations Specific to the Industry

Many states and local jurisdictions have set standards and regulations regarding the licenses and permits necessary to operate a fencing installation and repair business. In certain states, you and/or the personnel of your Franchised Business must obtain licenses and/or certifications in order to provide fencing or pool safety services. Other states do not require fencing or pool safety product providers to obtain a separate license or certification to conduct such work. You must investigate and comply with all of the applicable laws and regulations in your jurisdiction, as we have not investigated any laws or regulations to determine whether they are applicable to the operation of your Franchised Business. You alone are

responsible for complying with all applicable laws and regulations, despite any advice or information that we may give you.

Your Franchised Business will also be subject to laws and regulations that are not specific to the pool safety and maintenance industry, but applicable to businesses in general such as zoning laws, labor laws, the Fair Labor Standards Act, workers' compensation laws, business licensing laws and tax regulations, and the Americans with Disabilities Act.

Agents for Service of Process

Our agents for service of process are listed in Exhibit E to this Disclosure Document.

ITEM 2
BUSINESS EXPERIENCE

Jason Howard – President

Jason has served as our President since our inception. He has also served as the President of the A Safe Pool corporate location since January 2006, which was previously based in California but has been located in Scottsdale, Arizona since April 2010.

ITEM 3
LITIGATION

Life Saver Pool Fence Systems Inc. v. Howard et al., U.S. District Court, District of Arizona, Phoenix Division, Case No. 2:22-cv-1556-SPL (consolidated with Case No. 2:23-cv-01785-DWL), filed on September 13, 2022. On September 13, 2022, Life Saver Pool Fence Systems Inc., filed suit against Jason Howard, who is listed in Item 2 of this disclosure document, as well as Tonja Howard and our affiliate Howard Holdings, Inc. (collectively, "Howard Parties") for alleged trademark infringement, false designation of origin and unfair competition. The Howard Parties brought counterclaims seeking invalidation of the Life Saver Pool Fence® mark, arguing that the mark was procured by fraud. These matters were resolved pursuant to a confidential settlement agreement in June 2024 that also governed the resolution of the matter listed below. Under the settlement agreement, Life Saver agreed to not sue the Howard Parties or their purchasers, distributors, dealers, or resellers for infringement of their patent, and the Howard Parties agreed to not challenge the patent, to not use Life Saver's marks or directly solicit their franchisees, and agreed to make a $25,000 payment to Life Saver Pool Fence Systems Inc.

Howard Holdings Inc. v. Life Saver Pool Fence Systems, Inc., U.S. District Court, District of Arizona, Case No. 2:23-cv-00503-DJH, filed March 23, 2023. After LSPF, Inc. brought the suit described above, our affiliate Howard Holdings, Inc. brought claims to invalidate a patent owned by Life Saver Pool Fence Systems Inc., alleging that their principal fraudulently failed to disclose to the patent office that the now-patented pool fence was already on sale in the marketplace more than one year before the application for the patent was filed. Howard Holdings, Inc. sought a declaratory judgment to invalidate the patent (and the underlying application), a declaratory judgment that the patent is not enforceable, and asserted antitrust violations under §2 of the Sherman Act, and tortious interference. This matter was resolved under the settlement agreement described in the previous paragraph.

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

©2024 A Safe Pool Franchising, LLC

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Franchise Agreement

Initial Franchise Fee

You must pay us an initial franchise fee of $49,000 (the "Initial Franchise Fee") in a lump sum upon execution of your Franchise Agreement. The Initial Franchise Fee is fully earned upon payment and nonrefundable.

Pre-Opening Start-Up Package

Prior to opening your Franchised Business, you are required to purchase certain equipment, tools, apparel, marketing materials and a designated quantity of lead generation services from us that will be used in the operation of your business. Specifically, you must purchase from us: (i) certain equipment, including but not limited to fencing, pool safety equipment, tools, and the wrap for your Approved Vehicle; (ii) uniforms and other apparel that you will wear while providing the Approved Services at job sites; (iii) certain marketing materials; and (iv) approximately three (3) months of Internet ad local marketing services and lead-generation services (collectively, the "Pre-Opening Startup Package"). We estimate the Pre-Opening Start-Up Package will cost between $5,000 to $20,000, primarily dependent on inventory.

Multi-Territory Addendum

You must pay us a Development Fee immediately upon execution of a Multi-Territory Addendum for the right to operate your Franchised Business in multiple Designated Territories. Your Development Fee will be equal to $98,000 for two Designated Territories and $120,000 for three Designated Territories. We do not anticipate entering into a Multi-Territory Addendum for the right to operate in four or more Designated Territories, but if we do so the Development Fee will be determined on a case-by-case basis.

Your Development Fee is deemed fully earned upon payment and is not refundable under any circumstances. Once your Development Fee is paid, you will not be required to pay us an Initial Franchise Fee in connection with the Franchised Businesses you open in accordance with your Franchise Agreements.

Other Relevant Disclosures

Except as provided in this Item, all fees paid to us that are disclosed in this Item are uniformly imposed on our franchisees. All other purchases disclosed in this Item must be paid to us prior to, or at, delivery of the required purchases, and these fees are non-refundable upon payment. These fees are also uniformly imposed on franchisees.

©2024 A Safe Pool Franchising, LLC

ITEM 6
OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty	6% of monthly Gross Sales of your Franchised Business	Currently, payable on or before the 5th of each month based on the Gross Sales generated by the Franchised Business in the immediately prior calendar month	Gross Sales includes all revenue generated by your Franchised Business. See Note 3 below for additional information on the minimum annual Royalty.
Brand Development Fund Contribution	Currently, 1% of monthly Gross Sales	Currently, payable at the same time and in the same interval as the Royalty	You must pay us this amount on a monthly basis as consideration for certain (a) marketing campaigns we establish and implement on behalf of all System franchisees, and (b) any software and other technology we determine to provide you with access to and that is covered by Fund contributions. We reserve the right to increase the Brand Development Fund Contribution to up to 3% of Gross Sales upon 30 days' written notice to you.
Digital and Local Advertising Requirement	$3,000 per month	As incurred each month	These amounts must be spent in accordance with a marketing plan that we approve. We may collect these payments directly and pass them on to a third-party marketer to manage local and digital marketing. If we determine that you are operating in a seasonal market, we may suspend the Digital and Local Advertising Requirement for the months of the year that we designate as the off-season in your market.
Ongoing Product Purchases	Varies based on sales within your Designated Territory	Payable prior to, or at, delivery	You are required to purchase our certain designated inventory on an ongoing basis as necessary to service your customers. We may also require you to purchase additional items from us, our affiliate or our designated supplier as necessary to service your customers. See Item 8 of this disclosure document for additional information.

Required Software and Updates/ Technology Fee	Currently, the technology fee is $250 per Franchised Business per month, plus actual costs of updated software programs as incurred	Technology Fees are paid to us on the 5th day of each month via EFT; software update costs are due to us at the same time or to the software vendor upon receipt of billing	We reserve the right to increase the Technology Fee up to 10% per year.
Call Center	Currently not assessed. If and as established, the then-current fee charged by our approved supplier for call center services.	As invoiced.	We may establish a System-wide call center (the "Call Center") that franchisees have the right, but not the obligation, to utilize in connection with their operations. We reserve the right to require System franchisees to participate in, and otherwise modify, the Call Center in the future. We do not currently have a Call Center.
Renewal Fee	$2,500	Upon your renewal of Franchise Agreement after the initial term.	You must meet certain criteria before we will allow you to renew your Agreement.
Transfer Fee	$10,000	Upon approved transfer or sale to another person or entity.	Payable when you sell or transfer your franchise with our approval.
Training Fee	Our then-current training fee for the type of training at issue. Currently, our fee for additional individuals to attend the Initial Training Program will be $250 per person. For Additional and/or Remedial Training, we estimate this fee will be $1,000 per day, plus costs and expenses of	As incurred.	We may charge you our then-current training fee in the following circumstances: (i) if you or one of your managers/personnel that is required to complete our initial training is replaced and/or fails to complete initial training and is required to re-attend; (ii) if you bring more than two (2) total individuals to the Initial Training Program; (iii) if you request that we provide you with any replacement personnel training, additional training or otherwise request that we provide you with any on-site assistance in connection with your Franchised Business that is not already covered by us as described more fully in Item 11; and (iv) any remedial training that we require you to attend and complete as part of the cure actions in connection with your default under the Franchise Agreement.

	attending training.		
Regional Advertising Cooperative Contribution	Currently none	As agreed.	We have the right, as we deem necessary in our sole discretion, to establish and maintain advertising cooperatives for the benefit of franchised businesses in a particular region. If established, the contribution will not exceed the Digital and Local Advertising Requirement (unless approved by a majority of franchisees in the cooperative) and it will be credited against the Digital and Local Advertising Requirement.
Convention Fee	Our then-current enrollment fee to attend our annual summit or convention, if and when established	Prior to attending.	We may conduct an annual convention each year and require that you attend. We reserve the right to charge our then-current enrollment fee in connection with any convention that we require you to attend. You will also be responsible for your costs and expenses associated with attending any convention. If you fail to attend, we may assess a non-attendance fee, unless you have obtained written permission from us that you are not required to attend.
The fees below will only be charged if you fail to comply with the terms of your Franchise Agreement.			
Audit Fee	Actual cost incurred by us.	Immediately after 2% or more understatement of sales receipts is determined by our inspection.	If underreporting of sales is determined, you pay the Royalty due plus interest, along with all the costs related to performing the audit. There is no charge for the audit if sales are reported accurately.
Insurance Reimbursement	Cost to obtain and maintain required insurance under the Franchise Agreement, plus an administrative fee (if we are forced to obtain the required insurance for you on your behalf).	As incurred.	Payable only if you fail to maintain the minimum insurance we require and we choose to procure the required insurance for you.
Late Payment	$100 per incident	When payment is past due.	Payable on all overdue amounts to us.
Delinquency Charges and Interest	Lesser of 1.5% per month, or highest rate	Immediately after date payment is due.	Charged on all fees and accounts receivable due to us when not paid timely.

	permitted by applicable law		
Indemnification; Attorneys' Fee; Costs and Expenses of Enforcement	Will vary according to circumstance.	Upon demand.	You must reimburse us for our attorneys' fees and other costs that we incur in connection with any claims and/or damages that we incur in connection with any third-party action or otherwise arising out of, or related to (a) your breach of misrepresentation of your Franchise Agreement, (b) management or operation of your Franchised Business, and/or (c) other specific actions or omissions on your or your representatives' part detailed more fully in your Franchise Agreement. You must also reimburse of all attorneys' fees and other costs we incur in connection with (a) enforcing the terms of the Franchise Agreement, and/or (b) any litigation we are required to initiate and/or defend against related to the Franchise Agreement, provided we prevail.

NOTES

1. **Generally.** Unless otherwise set forth in this Item, all fees noted in this Item 6 are uniformly imposed and are payable to us and/or our designated suppliers and are non-refundable. All fees due under the Franchise Agreement shall be collected by us through our Electronic Funds Transfer ("EFT") Program from a bank account that you choose. You must execute the Electronic Funds Withdrawal Authorization in a form substantially similar to that attached as Schedule D to the Franchise Agreement contemporaneously with the execution of the Franchise Agreement that authorizes us to collect all fees by EFT.

2. **Gross Sales.** "Gross Sales" shall include all revenue from the sale of all products and performance of services from the Franchised Business, in any one or more Designated Territories in which it operates, whether in the form of cash, credit, barter or rebates, and regardless of collection in the case of credit, and income of every kind and nature related to the Franchised Business, including any consideration that Franchisee receives from third-party venders/suppliers. "Gross Sales" shall not include monies that are collected and submitted by Franchisee for transmittal to the appropriate taxing authority. In computing the Gross Sales, Franchisee shall be permitted to deduct the amount of cash refunds to, and coupons used by customers at the time the balance is fully paid to Franchisee, if such amounts have been included in Gross Sales of the Franchised Business.

3. **Minimum Royalty**. Beginning when the Franchised Business has been opened and commenced operating, you must pay a Minimum Royalty equal to twelve thousand dollars ($12,000) during each 12-month period that the Franchised Business is open. Furthermore, if you fail to generate $200,000 of Gross Sales for two consecutive 12 month periods in a row, we reserve the right to terminate your Franchise Agreement. If you operate in multiple Designated Territories under our Multi-Territory Addendum, the minimums set forth above will apply on a per-territory basis.

4. **Payment Period and Method.** We may, in our sole discretion, change your payment schedule with respect to the Royalty Fee and any other amounts due to us under your Franchise Agreement (i.e., modifying monthly payment to weekly), or require you to use any other method of payment, upon written notice to you.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

CATEGORY OF EXPENDITURE	AMOUNT[14]	METHOD OF PAYMENT[1]	WHEN DUE	TO WHOM PAID
Initial Franchise Fee (1)	$49,000	Certified Check or Wire Transfer	When Franchise Agreement is Signed	Us
Pre-Opening Start-Up Package (1)	$5,000 to $20,000	As arranged	As arranged	Us
Vehicle Lease (3 Months) (2)	$1,000 to $3,000	As arranged	As arranged	Vehicle Lessor
Equipment and Office Set-up (3)	$1,000 to $2,500	As arranged	As arranged	Suppliers
Computer Equipment (4)	$500 to $1,000	As arranged	As arranged	Suppliers
Business Licenses & Permits (5)	$500 to $1,000	As arranged	As arranged	Government Agencies
Professional Fees (6)	$500 to $1,000	As arranged	As arranged	Attorney, Accountant
Business Insurance Months/EAO (7)	$2,000 to $4,000	As arranged	As arranged	Insurance Companies
Training Expenses (8)	$300 to $2,000	As arranged	As arranged	Airline, Hotel, Meals, payroll.
Grand Opening Marketing (9)	$2,500 to $4,000	As arranged	Within first three months of operation	Suppliers or Us
Additional Funds – 3 Months (10)	$5,000 to $20,000	As arranged	As arranged	Us, Third Parties
TOTAL (11)	**$67,300 to $107,500**			

Explanatory Notes:

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment. All of our estimates assume that you will lease the required vehicle. Your costs will be higher if you choose to purchase the required vehicle. We will advise you of the recommended vehicle type.

Notes:

1. **Initial Franchise Fee**. The Initial Franchise Fee and Pre-Opening Start-Up Package are discussed in Item 5.

2. **Vehicle Lease**. Our estimates assume that you will lease the required vehicle for your franchise operations. The actual amount you pay under the lease will vary depending on the vehicle itself which we will recommend. If you choose to purchase the vehicle on which to operate your franchise, your initial investment will be higher than what we estimate above.

3. **Equipment and Office Set-up**. The equipment you will need includes ladders and miscellaneous small tools. Also included is the cost of establishing a home office with computer, printer, file cabinets, and assorted stationary items. We expect franchisee to work from a home office, so if you choose to establish an office outside of your home, you will incur additional rent and related costs.

4. **Computer Equipment**. You must purchase an iPad and iPhone to operate the required technology if you do not already have these devices. Additional information regarding the required system is included in Item 11.

5. **Business Licenses and Permits**. These are estimates of the costs for obtaining local business licenses which typically remain in effect for one year. The cost of these permits and licenses will vary substantially depending on the location of the Business. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

6. **Professional Fees**. We strongly recommend that you engage an accountant and a franchise attorney to advise you in your evaluation of the franchise we are offering.

7. **Insurance**. These figures are estimates of the cost of the initial premiums for the insurance you must obtain and maintain for your franchise, as described in Item 8.

8. **Training Expenses**. We provide initial training for up to two individuals at no additional charge while attending our Scottsdale, AZ training location. These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals if travel is necessary. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation and the number of individuals you bring to the training facilities.

9. **Grand Opening Marketing**. You must spend at least $2,500 on local advertisement and promotion of the grand opening of your Business, in accordance with a grand opening plan that we approve.

©2024 A Safe Pool Franchising, LLC

10. **Additional Funds**. You will need capital to support ongoing expenses, such as vehicle and equipment lease payments, inventory costs, Royalty Fees, and advertising and marketing fees, if these costs are not covered by sales revenue for your first three months of operation. Our low-end initial estimate assumes that you have high initial sales and that you do not hire any other individuals to work for you, and our high-end estimate assumes that you hire one additional person during this start-up period. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after.

11. **Total**. We relied upon our affiliate's experience in operating and licensing similar businesses when preparing these figures. Your actual costs may vary greatly and will depend on factors such as your management skill, experience and business acumen; local economic conditions; the local market for the pool safety services; seasonal variation; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These amounts do not include any estimates for debt service. These are only estimates and your costs may vary based on actual market costs in your area. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System, which we prescribe in our Manuals or otherwise in writing or through other means of communication, including during the Initial Training Program. We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, and you will be solely responsible for costs associated with complying with any modifications to the System.

Approved Services

You may only market, offer, sell and provide the Approved Products and Approved Services from your Franchised Business in a manner that meets our System standards and specifications. We will provide you with a list of our then-current Approved Products and Approved Services, along with their standards and specifications, as part of the Manuals or otherwise in writing prior to the opening of your Franchised Business. We may update or modify this list in writing at any time.

If you wish to offer any service in your Franchised Business other than our Approved Products and Approved Services, or use any item in connection with your Franchised Business that does not meet our System standards and specifications, then you must obtain our prior written approval as described more fully in this Item.

Approved Suppliers

We have the right to require you to purchase or lease any items or services necessary to operate your Franchised Business, including but not limited to equipment, fixtures, and inventory from a supplier that we approve or designate (each, an "Approved Supplier"), which may include us or our affiliate(s). We will provide you with a list of our Approved Suppliers in writing as part of the Operations Manual or otherwise in writing, and we may update or modify this list as we deem appropriate.

As of the issuance date of this Disclosure Document, we have Approved Suppliers for certain equipment, products, inventory, and software, as well as ongoing marketing services including online advertising. Currently, you must purchase all products and inventory in connection with your Franchised Business from us or our affiliate, Howard Holdings. You must also purchase the licenses for the required software from us. You will be required to lease a core drill using our Fleet account. We also provide branded shirts to you at no charge. Before you open for business, you must purchase and maintain the minimum insurance coverage that we specify in writing, and we reserve the right to require additional types of insurance and increased coverages in the future.

Other than us and Howard Holdings, none of our officers own an interest in any of our Approved Suppliers.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Franchised Business other than the Approved Services; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using the non-approved product or offering the non-approved service in connection with your Franchised Business; or (ii) purchasing from a non-approved supplier. We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies, or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products, and request that you reimburse our actual costs associated with the testing/inspection.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (but are not required to) make it available to you upon request. Each supplier that we approve must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we incur any costs in connection with testing a particular product or evaluating an unapproved supplier at your request, you must reimburse us for our reasonable testing costs, regardless of whether we subsequently approve the item or supplier. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

Required Purchases and Right to Derive Revenue

We estimate that the costs of your purchases from designated or approved sources, or according to our standards and specifications, may range from 85% to 95% of the costs of establishing your Franchised Business, and approximately 70% to 95% of the total cost of operating your Franchised Business after that time. We may designate sources, including affiliated entities, for additional goods and services in the future.

If we designate sources for additional goods and services, we may receive revenue, rebates, commissions or other material consideration from franchisee purchases.

We and/or our affiliates may derive revenue and/or other material consideration as a result of required purchases or leases by you, including, without limitation, for purchases made in accordance with specifications or standards required by us, or from suppliers approved by us. As of the issuance date, except as noted above, there are no goods or services required in the operation of the Franchised Business for which we or persons affiliated with us are the only approved suppliers.

Under some circumstances, we may derive income in the form of rebates or marketing allowances paid to us by certain approved vendors or distributors, which you must use. These rebates or marketing allowances may be used to purchase certain marketing, promotion, and creative services for the benefit of the System network.

We were formed in 2024 and first commenced offering franchises on the issuance date of this Disclosure Document; therefore, neither us nor our affiliates have derived any revenue on account of franchisee's required purchases.

Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in the Franchise Agreement	Item in this Disclosure Document
a. Site selection and acquisition/lease	Sections 2(B), 2(C), 5(E), and 6(A) and Exhibit A	Items 11 and 12
b. Pre-opening purchases/leases	Sections 6(B), 6(G), 6(I) and 6(J)	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 6(C), 6(D) and 6(E)	Items 6, 7 and 11
d. Initial and ongoing training	Sections 5(A), 5(B), 5(C) and 5(G)	Items 6, 7 and 11
e. Opening	Section 6(B) and 6(C)	Items 7 and 11
f. Fees	Section 4(A)	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Sections 5(D), 6 and 8	Items 8 and 16
h. Trademarks and proprietary information	Section 7	Items 13 and 14

Obligation	Section in the Franchise Agreement	Item in this Disclosure Document
i. Restrictions on products/services offered	Sections 6(F), 6(J), 6(K), 6(L) and 6(S)	Items 8 and 16
j. Warranty and customer service requirements	Section 6(T)	Item 16
k. Territorial development and sales quotas	Sections 2(C)	Item 12
l. Ongoing product/service purchases	Sections 6(H), 6(K), 6(I) and 6(J)	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3(B)(7) and 6(G)	Items 6 and 17
n. Insurance	Section 11	Items 6, 7 and 8
o. Advertising	Sections 5(F), 5(H) and 9	Items 6, 7 and 11
p. Indemnification	Sections 7(M) and 12(C)	Item 6
q. Owner's participation/ management/ staffing	Sections 6(V) and 6(Y)	Item 15
r. Records and reports	Sections 4(D) and 10	Item 11
s. Inspections and audits	Sections 5(L), 6(B), 6(J) 6(Q), 6(U), and10(B)	Items 6, 11 and 13
t. Transfer	Section 13	Item 17
u. Renewal	Section 3(B)	Item 17
v. Post-termination obligations	Sections 14(B) and 16	Item 17
w. Non-competition covenants	Section 14	Item 17
x. Dispute resolution	Section 21	Item 17

ITEM 10
FINANCING

We do not offer direct financing in conjunction with any of the above mentioned fees. We will not guarantee your note, lease, or other obligations.

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

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

A. Pre-Opening Obligations

Prior to the opening of your Franchised Business, we (or our designee) will, as applicable, provide you with the following assistance:

1. We will define your Designated Territory and approve the location from which you will operate the Franchised Business (the "Approved Location"). (Franchise Agreement, Sections 2(B) and 5(E)).

2. We will provide you with online access to, or otherwise loan you, one (1) copy of our confidential and proprietary Operations Manual. You must operate your Franchised Business in accordance with the Operations Manual and all applicable laws and regulations. The Operations Manual may be amended or modified by us to reflect changes in the System. You must keep the Operations Manual confidential and current, and you may not copy any part of the Operations Manual. The tables of contents from our Operations Manual is attached to this Disclosure Document as Exhibit C and includes approximately 93 pages (Franchise Agreement, Sections 5(D) and 6(N));

3. We will provide you with a list of our Required Items and Approved Suppliers (to the extent we have designated them), either as part of our proprietary Operations Manual or otherwise in writing (Franchise Agreement, Section 5(D)). We will also supply you with the Pre-Opening Start-Up Package necessary to establish and commence operations of the Franchised Business, so long as you pay us the appropriate fees for these items at, or prior to, delivery. (Franchise Agreement, Sections 4(A)(2) and 5(P));

4. We will provide you with guidance and/or directives in connection with how to expend the required funds associated with the promotion and advertisement of the initial launch of your Franchised Business. (Franchise Agreement, Section 5(G)); and

5. We will provide you with our initial training program that covers material aspects of the operation of the franchised business (the "Initial Training Program"). (Franchise Agreement, Section 5(A)).

B. Initial Training Program and Other Training

Initial Training Program

Before you may open your Franchised Business you must complete, to our satisfaction the Initial Training Program. The topics covered are listed in the chart below. This training is offered in Scottsdale, Arizona, or another location we designate. Our Initial Training Program will be offered at various times during the year depending on the number of new franchisees entering the System, other personnel needing training, and the timing of the scheduled openings of franchises. The instructional materials used in the Initial Training Program consist of our Operations Manual, marketing and promotional materials, and any other materials that we believe will be beneficial to our franchisees in the training process.

You and your Designated Manager (if applicable), must attend and complete the Initial Training Program prior to you opening the Franchised Business. (Franchise Agreement, Sections 5(A)). We will determine whether everyone has satisfactorily completed initial training. If an individual does not satisfactorily complete the Initial Training Program or if we determine that this person cannot satisfactorily complete the Initial Training Program, you must designate a replacement to satisfactorily complete the training before you will be permitted to open.

We expect that attendees will advance through the training program at different rates depending on a variety of factors including background and experience. The time frames set forth in the chart are an estimate of the time it will take to complete training and the number of hours required may vary based on (a) the experience of the trainee at issue, and (b) the schedules and availability of our training staff. Initial training must be completed to our satisfaction prior to the scheduled or contemplated opening of your Franchised Business. We do not charge any tuition or training fee for up to two (2) individuals to attend the Initial Training Program, provided both individuals attend at the components that are provided at our headquarters or other designated training facility at the same time prior to the opening of your Franchised Business. You will be responsible for all costs and expenses associated with you and your personnel attending initial training,

as well as any other ongoing training that we or any third-party provides once your Franchised Business is open.

Either you and/or your Designated Manager who has completed the initial training must be the individual(s) that provide the Approved Services to the clientele of the Franchised Business. If you are not approved to train your additional personnel, they may be trained by us and you will be required to pay our then-current fee.

INITIAL TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-the-Job Training	Column 4 Location
Policies & Procedures Zero Tolerances - Sexual Harassment - Discrimination	2		Scottsdale, AZ
Human Resources	1.5		Scottsdale, AZ
Vehicle Safety	1		Scottsdale, AZ
Brand Image, Dress Code, Local Marketing	2		Scottsdale, AZ
Residential Decorum; Customer Service	1.5		Scottsdale, AZ
Products, Pricing, Ordering, Invoicing, and Software/POS System	8		Scottsdale, AZ
Estimating and Installation		24	Scottsdale, AZ Area
On-Site Assistance		24	Your Location
TOTAL	**16**	**48**	

You and your Designated Manager (if applicable) must attend and complete the Initial Training Program. Our Owner and Founder, Jason Howard will oversee the training program. Jason Howard has owned and operated A Safe Pool for approximately 18 years.

On-Site Assistance and Additional Training

We currently provide up to three (3) days of on-site assistance at your location as part of our Initial Training Program. We may offer remedial training and assistance on an as-needed basis. For any remedial training or replacement personnel training, you must pay our then-current training fee and reimburse all costs for the services of our trainer, all travel-related expenses, such as transportation, meals and lodging.

C. Typical Length of Time Before Operation

Single Unit Franchise

Except as provided in this Item, you must open and commence operations of your Franchised Business within four months of the date you execute your Franchise Agreement. We estimate that it will take between two and three months to open your Franchised Business from the time you execute your Franchise Agreement. Your total timeframe may be shorter or longer depending on the time necessary to obtain an Approve Vehicle, to obtain the permits and licenses for operation of the Franchised Business, to complete our Initial Training Program, and to complete preparation for operating the Franchised Business, including purchasing any inventory or supplies needed prior to opening. If you do not open or operate your Franchised Business within this four month period, then we may terminate your Franchise Agreement (unless we agree to extend your opening deadline in a writing signed by both parties) (Franchise Agreement, Section 6(B)).

Multi-Territory Addendum

If you have entered into a Multi-Territory Addendum to open and operate your Franchised Business in multiple Designated Territories, you may commence operations in each of the Designated Territories under your Multi-Territory Addendum upon (i) the execution of a Franchise Agreement for each Designated Territory in which you will operate your Franchised Business, (ii) the payment of the applicable Development Fee, and (iii) the completion of all of your pre-opening obligations under the Franchise Agreement(s) including but not limited to completion of the Initial Training Program by all individual(s) required to attend. (Multi-Territory Addendum, Section 3).

D. Post-Opening Obligations

After the opening of your Franchised Business, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. We may offer and require you and your management to attend additional training programs and/or refresher courses, as we deem necessary in our sole discretion ("Additional Training"). You will also be solely responsible for all expenses incurred in attending Additional Training. We may also provide remedial training to you if you are in default of your Franchise Agreement or if your required trainees fail to complete any Additional Training as described more fully in Item 6 of this Disclosure Document ("Remedial Training"), and we reserve the right to charge you our then-current Training Fee in connection with such Remedial Training. For both Additional Training and Remedial Training, you will be responsible for all expenses incurred in connection with you and your personnel attending. Additionally, if we provide any Additional Training or Remedial Training at your Approved Location, we may require you to pay us our then-current training fee for such training (which is currently $1,000 per day). (Franchise Agreement, Section 5(C));

2. We may provide you with continuing consultation and advice, as we deem necessary in our sole discretion, regarding the management and operation of the Franchised Business. We may provide this assistance by telephone, videoconference, or any other communication channel, as we deem advisable and subject to the availability of our personnel. Certain of this advice and consultation may be provided based on certain reports, guest satisfaction surveys and other brand quality measurements we impose in connection with the operation of your Franchised Business, and such advice/consultation will be subject to your timely provision of any reports we require you to submit. (Franchise Agreement, Section 5(G));

3. We will approve or deny any advertising/marketing materials you wish to use in connection with your Franchised Business as described more fully below in this Item 11 under the heading "Advertising and Marketing." (Franchise Agreement, Section 5(H));

4. We will list the contact information of the Franchised Business on our Website, provided you are not in material default of your Franchise Agreement. (Franchise Agreement, Section 5(I));

5. We will, as we deem appropriate, conduct inspections and/or audits of the Franchised Business and, upon 48 hours' notice, of the Premises and/or Approved Vehicle(s) to ensure that you are operating the Franchised Business in compliance with the terms of the Franchise Agreement, the Operations Manual and the System standards and specifications. (Franchise Agreement, Section 5(L));

6. We will approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Section 6(K));

7. We or our designee will administer and maintain the Fund (as defined below) for the benefit of the System, as we deem necessary in our sole discretion. (Franchise Agreement, Sections 5(M) and 9(E));

8. We may schedule and hold a franchise convention, as we deem advisable in our sole discretion, to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. In the event we schedule a conference, we may require you to attend for up to five (5) days each year. You will be responsible for the costs and expenses you incur in connection with any franchise convention. (Franchise Agreement, Section 5(Q)); and

E. Advertising and Promotion

1. You must spend at least $3,000 per month, as your "Digital and Local Advertising Requirement" on the local advertising and promotion of your Franchised Business within your Designated Territory. We reserve the right to require that you pay your Digital and Local Advertising Requirement directly to us. If we do so, we will then forward the payment to a third-party advertiser to manage the digital and local advertising on your behalf. We will approve the advertising, promotions and public relations plan and its creative execution on a periodic basis, as we deem necessary in our discretion. If we determine that you operate in a seasonal market, we may suspend the Digital and Local Advertising Requirement during the months that we determine to be your off-season. (Franchise Agreement, Section 9 (D)).

2. As part of our System, you are required to contribute to our Brand Development Fund (or "Fund") each month in an amount equal to 1% of the monthly Gross Sales of your Franchised Business from the preceding reporting period (the "Brand Fund Contribution"). We reserve the right to increase the Brand Fund Contribution up to 3% of your monthly Gross Sales upon 30 days' notice to you (Franchise Agreement, Section 9(E)).

We will administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System. We will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and

endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing. (Franchise Agreement, Section 9(E)).

We will account for the Fund contributions separately from our other funds and not use the Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, third-party costs, travel expenses and overhead we incur in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. The Fund is not our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned from Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises, except that we may use/display the phrase "Franchises Available" on any and all advertising/marketing that is covered by the Fund. We will prepare an unaudited, annual statement of Fund collections and expenditures within 120 days of the end of each calendar year and give it to you upon written request. We may incorporate the Fund or operate it through a separate entity if we deem appropriate. Any affiliate-owned Franchised Businesses (if and when established) may contribute to the Fund but have no obligation to do so.

We are not required to spend any of your Fund Contributions in the Designated Territory. We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. If we do not spend all Fund Contributions in a given year, we may rollover any excess contributions into the Fund for use during the following year. We will have the right to modify or discontinue the Fund, as we deem appropriate in our sole discretion. (Franchise Agreement, Section 9(E)). We did not collect any Fund Contributions during 2023.

3. Cooperatives and Advertising Councils. Although we are not obligated to do so, we may create a cooperative advertising program for the benefit of all System franchises located within a particular region. We will determine the geographic territory and market areas for each cooperative advertising program. You must participate in any cooperative advertising program established in your region. We may also establish a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). (Franchise Agreement, Sections 9(F) and 9(H)).

4. Grand Opening Event/Launch Marketing. During your first month of operation, you must spend at least $2,500 on the initial advertising and promotion of your Franchised Business. You may choose to spend more. Factors that may affect your decision on the actual amount to spend includes local media cost, location of the franchised business, time of year and customer demographics in the surrounding area. The amounts you spend in connection with your Grand Opening Event/Launch Marketing are typically not refundable. We may provide you with guidance with respect to conducting these activities, as we deem

appropriate in our discretion, and we will review and approve the materials you use as part of your Grand Opening Event/Launch Marketing. ((Franchise Agreement, Section 9(C)).

5. Local Listings. You must list the telephone number for the franchised business in your local business directory as we may specify from time to time. You must place the listings together with other franchised businesses operating within the distribution area of the directories. (Franchise Agreement, Section 9(D)). For further information about your costs, see Item 6 of this disclosure document.

F. Computer System

You must purchase and use any hardware and software programs we require. We require that you have an iPhone/iPad tablet that is capable of running our required proprietary software to provide estimates. Each one of your installers will need its own device, but currently the technology fee does not increase for additional installers. The technology fee is $250 per month, and we reserve the right to increase the technology fee up to 10% per year. We estimate the cost of the hardware to be approximately $500 to $1,000. From time to time, you may have to update or upgrade your computer hardware and/or software. We may introduce new requirements for computer systems and we may decide to collect the technology fee directly in the future, as disclosed in Item 6. We estimate that you will spend approximately $500 to $1,000 annually on maintenance and support contracts for your computer system, which includes any upgrades.

We have the right to independently access all information you collect or compile at any time without first notifying you.

We may establish and maintain a website portal or other intranet for use by you and other franchisees (the "Web Portal"), wherein we may post content that will automatically become part of, and constitute a supplement to, the Operations Manual, all of which you must strictly comply with promptly after such content is posted or otherwise listed on the Web Portal. (Franchise Agreement, Sections 5(D)).

G. Website and Internet Use

Except as approved in advance in writing by us, you must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including any profile on all major social media and video sharing platforms. Any such Internet website or presence is considered "advertising" and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more of the above presences on the Internet, you must: (i) establish and operate your website in accordance with System standards and any other policies we designate in the Operations Manual or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s). (Franchise Agreement, Section 9(G)).

We have the right to establish and maintain a website, that may, without limitation, promote the Proprietary Marks and/or the System (the "Website"), including the contact information of your Franchised Business. We agree to establish an interior page on our corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) the Franchise Agreement governing that Franchised Business is not subject to termination. (Franchise Agreement, Section 9(G)). We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and

Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We (or our affiliate) are the sole registrant of the Internet domain name www.asafepool.com, as well as any other domain names that we or our affiliates register in the future. You must not register any Internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

ITEM 12
TERRITORY

You will operate from one site located in your Designated Territory (defined below) and you may not relocate the Franchised Business without our prior written consent, which we will not unreasonably withhold, provided: (i) you secure an alternate location for the Franchised Business within the Designated Territory (as defined below); and (ii) you reimburse us for the reasonable costs and expenses that we incur in connection with evaluating and approving the proposed relocation. If you can no longer use the location due to circumstances beyond your control, including unreasonable lease terms or destruction of the premises, we will not unreasonably withhold our written consent to relocate.

Franchise Agreement: Designated Territory

You will typically receive a territory consisting of a population of approximately 500,000 residents (the "Designated Territory"), but we do not guarantee any minimum territory size. Your Designated Territory cannot be modified except by mutual written agreement signed by both parties.

You may not solicit or advertise for customers outside of your Designated Territory, including: (i) soliciting or advertising within the Designated Territory of another franchisee without that franchisee's express consent and/or cooperation; (ii) soliciting or advertising on the Internet without our consent; or (iii) servicing any customer that resides outside the Designated Territory or within the protected territory of another System franchisee.

Multi-Territory Addendum

We may, at our discretion, offer qualified candidates the right to enter into our form of Multi-Territory Addendum (attached to this Disclosure Document as Exhibit B) for the right to operate a Franchised Business in multiple Designated Territories. When you sign your Multi-Territory Addendum, you will be granted the right to operate the Franchised Businesses in each Designated Territory, provided you enter into a Franchise Agreement for each Designated Territory in which you will operate.

You may operate your Franchised Business in multiple Designated Territories from the same Approved Location. If you choose to open and operate from additional Premises in additional Designated Territories, then we must approve the location of each Premises from which you will operate the Franchised Business in those additional Designated Territories.

Reservation of Rights

As a result of the rights reserved in this section, you will not receive an exclusive Designated Territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Your rights under the Franchise Agreement and Multi-Territory Addendum do not include: (i) any right to offer any A Safe Pool product or service via e-commerce; (ii) any right to establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; (iii) any right to sell System merchandise via wholesale; (iv) any right to otherwise distribute, market, or implement our products and services in any channel of distribution not specifically identified in this Agreement; (v) the right to sub-license the Franchised Business in any fashion; or (vi) the right to sell and or all of your Designated Territory independent of your entire Franchised Business to another person or franchisee without our written permission.

You expressly understand and agree that we and our affiliates shall have the right, in our sole discretion, to: (i) own and operate franchised businesses at any location outside of the Designated Territory under the Proprietary Marks, or to license others the right to own and operate System businesses at any location(s) outside of the Designated Territory under the Proprietary Marks and System; (ii) own and operate businesses under different marks at any locations inside or outside of your Designated Territory, or license to others the right to own and operate such businesses, under different marks at any locations inside or outside of Designated Territory (such businesses will not primarily provide pool safety products and services); (iii) sell the approved products and services to "National Accounts" regardless of whether the specific National Account location is within the Designated Territory; (iv) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts, or related items, or in alternative channels of distribution, including the sale of any products in wholesale and retail stores, via the Internet, and through mail order catalog, without regard to location; (v) market, promote, sell and distribute products through wholesale or retail channels, including the Internet; and (vi) use the Proprietary Marks and System, and license others to use the Marks and System to engage in any other activities not expressly prohibited in this Agreement. You do not have any of the foregoing rights under your Franchise Agreement, and we are not required to provide you any compensation in connection with conducting any of these activities.

If you enter into a Multi-Territory Addendum, we will have the same reserved rights set forth in the preceding paragraph.

Additional Disclosures

Neither the Franchise Agreement nor the Multi-Territory Addendum provides you with any right or option to open and operate additional Franchised Businesses (other than as specifically provided for in your Multi-Territory Addendum if you are granted multi-territory development rights). Regardless, each Designated Territory in which you will operate the Franchised Business must be governed by its own Franchise Agreement. You must meet our then-current qualifications for new franchises to qualify to operate in additional Designated Territories.

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. Neither we nor our affiliates have established, or presently intend to establish, any other franchised or company-owned businesses that sell our Approved Services under a different trade name or trademark, but we reserve the right to do so in the future.

ITEM 13
TRADEMARKS

Under your Franchise Agreement, we will grant you a non-exclusive license to use the Proprietary Marks solely in connection with your Franchised Business and as authorized in your Franchise Agreement,

our Manuals or otherwise by us in writing. Please note that the Multi-Territory Addendum does not afford you any kind of license to use these Marks or System, as such rights are only awarded under our then-current form of Franchise Agreement. We currently license you the following Proprietary Marks that are registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

MARK	REGISTRATION NUMBER	REGISTRATION DATE	REGISTER
A SAFE POOL	7335377	March 26, 2024	Principal
A SAFE POOL	7417321	June 18, 2024	Principal

Our affiliate, Howard Holdings, Inc., is the owner of the Proprietary Marks, and has licensed us the right to use, and to sub-license the right to use, the Proprietary Marks to our System franchisees pursuant to a perpetual, royalty-free Trademark License Agreement entered into on April 30, 2024.

We have filed and will continue to file all required affidavits with the USPTO to maintain the registrations for the Proprietary Marks above.

You must strictly comply with our standards, policies, specifications, rules, requirements, and instructions regarding the use of the Proprietary Marks. The goodwill associated with our Proprietary Marks will remain our exclusive property, and you will receive no tangible benefit from our goodwill, except from the operation or possible sale of the Franchised Business during the term of the Franchise Agreement. Any increase in the goodwill associated with our Proprietary Marks during the term of the Franchise Agreement will benefit us. All rights to use our Proprietary Marks will automatically revert to us without cost and without the execution or delivery of any documents, upon the expiration or termination of the Franchise Agreement.

You may not use all or any portion of our Marks as part of your company name and, without our prior written consent, as part of your trade name. You may not modify the Proprietary Marks in any manner, including with words, designs or symbols, except those which we license to you. You may not use our Proprietary Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. During the term of the Franchise Agreement and continuing after the expiration or termination of the Franchise Agreement, neither you nor any of your managers will, directly or indirectly, contest, challenge or assist in the contesting or challenging of, our right, title, ownership, or interest in our Proprietary Marks, trade secrets, methods, procedures, and advertising techniques that are part of our franchise system, or contest our sole right to register, use, or license others to use, our Proprietary Marks, trade secrets, methods, procedures, advertising techniques, and any other mark or name that incorporates the words "A Safe Pool" or any similar phrase.

As of the issuance date of this Disclosure Document, there is no litigation pending arising out of our Proprietary Marks, and we are not aware of any infringing use of our Proprietary Marks. Presently, there are not any effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, province, territory, or region, or any court adverse to our rights in the Proprietary Marks, nor are there any pending infringement, opposition, cancellation proceedings, or material litigation, involving the Proprietary Marks.

Other than the license agreement with our affiliate discussed above, we are not a party to, or bound by, any agreement that significantly limits our rights to use or license others to use the Registered Mark or any of the other Proprietary Marks in any manner material to the franchise we offer.

You must immediately notify us, in writing, if you become aware of any unauthorized use of our Proprietary Mark or other proprietary information, and you must permit us to participate in any litigation involving you and our Proprietary Marks. We will take the action we think appropriate. While we are not required to defend you against a claim against your use of our Proprietary Marks, we will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Proprietary Mark, in compliance with the Franchise Agreement and our written directives, so long as you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Proprietary Marks. We will not reimburse you for disputes where we challenge your use of a Proprietary Mark.

You must modify or discontinue the use of a trademark if we modify or discontinue it. If this happens, you will be responsible for your tangible costs of compliance (for example, changing exterior and interior signage, advertisements, and promotional material, etc.). We are not obligated to reimburse you for any loss of revenue attributable to the modified or discontinued mark or for any expenditure you incur to promote a modified or substitute mark.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent or copyright, except that you can use the proprietary information in our Manual. Although we have not filed an application for a copyright registration for our Manuals or advertising materials, we claim common law copyright in these materials and all other proprietary materials that we and/or our principals develop for use in connection with the System or a Franchised Business. We consider our Manual to be confidential and require you to treat it as confidential. You must tell us when you learn about any unauthorized use of our Manual. We have not filed a patent on our proprietary products.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of such unauthorized use. We may revise our System and any of our copyrighted materials in our discretion and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

During the term of the Franchise Agreement, you will receive information which we consider trade secrets and confidential information. You may not, during the term of the Franchise Agreement or any time after that, communicate, divulge, or use for the benefit of any other person, partnership, association,

corporation, or limited liability company any of these trade secrets, copyrighted materials, methods and other techniques and know-how concerning the operation of the Franchised Business. You may divulge such confidential information only to your employees who must have access to it in order to perform their employment obligations.

The Franchise Agreement provides that if you, your employees, or principals develop any inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by you or your employees or agents that are in any way related to the establishment or operation of the Franchised Business (collectively, the "Improvements"), you must disclose those Improvements to us and all such Improvements will automatically and without further action be owned by us without compensation to you (including all intellectual property rights therein). Whenever requested to do so by us, you will execute any and all applications, assignments, or other instruments that we may deem necessary to apply for and obtain intellectual property protection or to otherwise protect our interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that we cannot automatically own certain of the Improvements that may be developed, then you hereby agree to grant us a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

We may revise any of our copyrighted materials at our discretion and may require that you cease using any outdated item or portion of the Manuals.

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

We require that you personally participate in the actual operation of your Franchised Business. You, if an individual, and certain persons affiliated with you, are required to attend, and successfully complete to our satisfaction, our training programs (described more fully in Item 11 above), and certain other training programs that we designate provided by third parties. All training must be completed prior to opening the Franchised Business.

Under certain conditions and with our prior approval, we may permit you to appoint a Designated Manager to handle day-to-day management of the Franchised Business on-site at the premises. Your Designated Manager must complete all components of our initial training, but we do not require that your manager have an ownership interest in a corporate or partnership franchisee. The Designated Manager will need to be approved by us and will need to sign the form of Confidentiality and Non-Compete Agreement in a form substantially similar to the form attached to your Franchise Agreement. Any Designated Manager, including any replacement manager, must attend and complete all required training before assuming any management responsibility in connection with your Franchised Business.

If you or your Designated Manager are not physically present on an Approved Vehicle or on-site at a given customer job, then there must be at least a licensed employee present that can provide the Approved Services.

It is important to note that we are not your employer and that you will have the right to control all decisions related to recruiting, hiring or firing any personnel, including any managers. Please note that nothing in this Disclosure Document or any agreement you enter into with us will create any type of employer or joint employer relationship between (a) you and/or your personnel, and (b) us.

Each person owning an interest in the franchisee (if an entity) and their spouse (as well as the spouse of an individual franchisee) must sign a personal guaranty in the form attached to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must conduct your business in accordance with our Operations Manual and policies in order to protect our reputation and goodwill and to maintain our high standards of operation under our Proprietary Marks. You must use the premises solely for the operation of the Franchised Business; and must keep the premises open and in normal operation for the hours and days as we may specify in the Manual or as we may otherwise approve in writing.

You are prohibited from offering or selling any products or services not authorized in writing by us. Any and all services you provide to your customers must be provided in accordance with the standards established by us. You may not market outside of your Designated Territory. You are not limited in the customers you may serve from your Franchised Business, but you may not serve customers who reside in the Designated Territory of another System business without obtaining the prior written consent of the owner of the Designated Territory where that customer resides. You are not permitted to distribute System products on a non-retail or wholesale basis without our prior written consent.

We do not impose any other restrictions in the Franchise Agreement as to the customers to whom you may sell. We reserve the right to expand and otherwise modify the Approved Products and/or Approved Services that you may offer and provide through your Franchised Business (through limited trials or otherwise). There is no limit on our right to request expansion of the goods and products offered and you will be required to offer new products and services that we introduce from time to time. We may also discontinue any products or services that we previously approved for your Franchised Business to offer and sell upon providing you with written notice, and you must cease offering any product or service we discontinue immediately upon receiving notice from us.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the franchise agreement. You should read these provisions in the agreements attached to this disclosure document.

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Term of franchise	Section 3(A)	The initial term is for 5 years commencing on the date we sign your Franchise Agreement.
b. Renewal or extension of the term	Section 3(B)	You have the right to be considered for three additional (and consecutive) 5-year terms.

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 3(B)	In order to renew (which means renewing your franchise relationship with us), you must: (i) not have any uncured material defaults under your Franchise Agreement (including any monetary defaults) or any other agreement between you and us; (ii) execute our then-current franchise agreement (which may contain materially different terms and conditions than your original franchise agreement); (iii) pay us a renewal fee of $2,500 (per Designated Territory); (iv) complete our then-current refresher training course; (v) execute a general release; and (vi) re-image, renovate, refurbish and modernize the Approved Vehicles and Franchised Business.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 15	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g. "Cause" defined – curative defaults	Section 15(B) Section 15(C)	Your Franchise Agreement may be terminated based on the following defaults after the applicable cure periods: (i) if you fail to cure any of the following defaults after 10 days' notice: (a) fail to offer only the Approved Services at the Franchised Business; (b) any purchase of any non-approved item or service; (c) failure to purchase any item from the appropriate Approved Supplier(s), and (d) fail to cure any monetary default; (ii) you fail to provide us with access to the Computer System and fail to remedy this default within 48 hours; (iii) you fail, after 15 days' notice, to comply with any applicable law; and (iv) you fail, after 10 days' notice, to obtain any applicable license, certificate, permits, or approval. Except as provided above and those defaults listed in (h) of this Item 17 Chart, you must cure all other defaults and violations of any provision of your Franchise Agreement or any other agreement with us or our affiliates within 30 days of being provided with notice of your default(s).
h. "Cause" defined – non-curative defaults	Section 15(A)	Your Franchise Agreement may be terminated automatically and without notice from us if: (i) you become insolvent or make a general assignment for the benefit of

Provision	Section in Franchise Agreement	Summary
		creditors; (ii) a bankruptcy petition if filed by or against you and not dismissed within 30 days; (iii) a bill in equity or appointment of receivership is filed in connection with you or the Franchised Business; (iv) a receiver or custodian of your assets of property is appointed; (v) a final judgment in the amount of $10,000 or more is entered against you and not satisfied within 60 days (or longer period if we consent); and (vi) you attempt to make an invalid transfer in violation of Section 13 of your Franchise Agreement. Your Franchise Agreement may be terminated with notice but without an opportunity to cure: (i) if you commit any fraud or misrepresentation in the establishment or operation of the Franchised Business; (ii) if you fail to attend and complete the Initial Training Program; (iii) if you receive 3 or more notices to cure the same or similar defaults within any 12-month period; (iv) you violate the in-term restrictive covenant; (v) you misuse the Property Marks or Confidential Information; (vi) you misuse any proprietary software; (vii) you default under any other agreement with us, our affiliate(s) or any Approved Supplier and such default is not cured according to such agreement; (viii) you default under your lease; (ix) you fail to open the Franchised Business in the time required; (x) you abandon the Franchised Business; (xi) you are convicted of a felony or other crime that adversely affects the System; (xii) you take for your own personal use the assets or property of the Franchised Business; (xiii) there are insufficient funds in your EFT Account 3 or more times in any 12-month period; (xiv) you commit repeated violates of any applicable laws; or (xv) you on 3 or more occasions, fail to comply with the standards and specifications set forth in the Operations Manual during any 18 month period, whether or not these failures were timely cured.
i. Franchisee's obligations on termination/non-renewal	Section 16	Upon termination or early expiration of the Franchise Agreement, your obligations include: (i) cease ownership and operation of the Franchised Business and cease doing business in a form or manner that may give the general public the impression that you are operating a Franchised Business; (ii) return of the Operations Manual or any other Confidential Information to us; (iii) assign to us all approved services contracts, telephone/fax numbers and domain names; (iv) cease the use of the Proprietary Marks and trade dress; (v) comply with all post-term restrictive covenants; (vi) pay us and our Approved Suppliers any amounts owed; (vii) provide us with written confirmation of compliance

Provision	Section in Franchise Agreement	Summary
		with these obligations within 30 days; and (vii) cancel or, at our option, assign us all telephone/facsimile numbers and domain names (if permitted) used in connection with the Franchised Business (as well as all related listings) to us or our designee.
j. Assignment of contract by Franchisor	Section 13(G)	No restriction on our right to assign.
k. "Transfer" by Franchisor - defined	Section 13(A) and Section 13(C)	Includes any transfer of Franchise Agreement, assets of the Franchised Business, or ownership change in you (as the Franchisee).
l. Franchisor's approval of transfer by Franchisee	Section 13(A)	We must approve all transfers, but we will not unreasonably withhold our approval if you meet our conditions.
m. Conditions for Franchisor's approval of transfer	Section 13(E)	We have the right to impose the following conditions on any transfer by you: (i) all of your accrued monetary obligations under the Franchise Agreement have been satisfied; (ii) you cure all existing defaults under the Franchise Agreement; (iii) you and your principals must execute a general release; (iv) you or the transferee provides us with a copy of the executed purchase agreement; (v) the transferee must meet our then-current qualifications and criteria for a new franchisee; (vi) the transferee executes our then-current franchise agreement; (vii) you or the transferee pays us a transfer fee of $10,000 (per Territory); (viii) the transferee satisfactorily completes our Initial Training Program; (ix) you must comply with all post-termination provisions of the Franchise Agreement; (x) the transferee must obtain all permits and licenses required for the continued operation of the Franchised Business; (xi) all applicable lessors consent to the proposed transfer; and (xii) the transfer is made in compliance with all applicable laws.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 13(D)	If (a) you propose to transfer any of your interest in the Franchise Agreement or Franchised Business or any interest in your lease for the Premises, or (b) your owners propose to transfer any interest in you (if you are an entity), except in certain circumstances (death/disability or transfer from individual franchisee to business entity), then you shall first offer to sell such interest to us on the same terms and conditions as offered by such third party. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those

Provision	Section in Franchise Agreement	Summary
		exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o. Franchisor's option to purchase Franchisee's business	Section 16(H)	Upon expiration or termination of the Franchise Agreement, we have the option to purchase your assets at net depreciated book value.
p. Franchisee's death or disability	Section 13(B)	You will have a period of 90 days to find a suitable legal representative that we approve to continue the operation of your Franchised Business, provided that person completes our Initial Training Program and signs our then-current franchise agreement for the remainder of your term. During this 90-day period, we may step in and operate the Franchised Business on your behalf and pay ourselves a reasonable amount to reimburse our costs associated with this operation on your behalf. We are not under any obligation to step in and operate your business during this period.
q. Non-competition covenants during the term of the franchise	Section 14(A)	Neither you, your principals, guarantors, owners or Designated Managers, nor any immediate family member of you, your principals, guarantors, owners or Designated Managers, may: (i) own, operate, or otherwise be involved with, Competing Business (as defined in the Franchise Agreement); (ii) subject to and to the extent permitted by applicable laws where the Franchised Business is located,, employ or seek to employ any of employees or us, our affiliates or any other System franchisee or induce such persons to leave their employment; or (iii) divert, or attempt to divert, any prospective customer to a Competing Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 14(B)(1) Section 14(B)(2)	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with any business that competes with us and is involved in the licensing or franchising, or establishing of joint ventures for the operation, of any Competing Business. For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family

Provision	Section in Franchise Agreement	Summary
		member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with and Competing Business: (i) within your Designated Territory; (ii) within a 25-mile radius of your Designated Territory; or (iii) within a 25-mile radius of the designated territory of any other System franchisee. During this two-year period, these parties are also prohibited from: (i) soliciting business from customers of your former Franchised Business; (ii) contacting any of our suppliers/vendors for a competitive business purpose; or (iii) subject to and to the extent permitted by applicable laws where the Franchised Business is located, soliciting any employees of us, our affiliates or any other System franchisee to discontinue their employment.
s. Modification of the agreement	Section 18(D)	Your Franchise Agreement may not be modified, except by a writing signed by both parties. With that said, we may modify the System and Operations Manual as we deem appropriate in our discretion from time to time.
t. Integration/merger clause	Sections 18(E) and 22	Only the terms of the Franchise Agreement and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 21(B) Section 21(C)	You must first submit all dispute 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 arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place at our then-current headquarters, and if not resolved through mediation, then submitted to arbitration. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.
v. Choice of forum	Sections 21(D) and 21(F)	Subject to the other provisions of the Franchise Agreement, all claims and causes of action arising out of the Franchise Agreement must be mediated, arbitrated, or else initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to our then-current

Provision	Section in Franchise Agreement	Summary
		headquarters or, if appropriate, the United States District Court for the District of Arizona (subject to state law).
w. Choice of law	Section 21(A)	The Franchise Agreement is governed by the laws of the state of Arizona, without reference to this state's conflict of laws principles (subject to state law), except for any actions or disputes involving any franchise or business opportunity law must be governed by the law of the state where the Franchised Business is located.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its 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 by, for example, providing information about possible performance at a particular location or under particular circumstances.

Historical Financial Performance Representation

We are at an early stage of franchise development and have a limited operating history. As such, we strongly recommend that you make your own independent investigation to determine whether to invest and whether the franchise may be appropriate for you before entering into any agreement with us. We suggest strongly that you consult with a franchise attorney and your financial advisor or personal accountant concerning this investment and the preparation of any financial projections, as well as federal, state, and local income taxes and any other applicable taxes that you may incur in operating an A Safe Pool Franchised Business.

This Item 19 presents certain historical financial performance information about our affiliate-owned A Safe Pool business located in and around Phoenix, Arizona during the 2023 fiscal year (the "Measurement Period"). We did not have any franchisees active during the Measurement Period.

This financial information has been provided by our affiliate, Howard Holdings, Inc., but it has not been independently audited. Please note that the outlet used in this historical financial performance representation was opened in April 2010 and operates in a large Designated Territory in and around Phoenix, Arizona, which is approximately ten (10) times larger than a typical single Designated Territory granted to a franchisee under this Disclosure Document, as described in Item 12.

Table 1

A Safe Pool - Affiliate-Owned Revenue and Expense Information 2023 Calendar Year	
Gross Revenue[1]	**$2,236,424**
Costs of Good Sold[2]	$950,553
Labor[3]	$312,436
Advertising and Promotion	$61,232
Accounting, Professional Services, and Financial Expenses	$30,074
Supplies, Equipment, and Training Expenses	$28,132
Utilities, Repairs, and Maintenance	$9,302
Medical and Retirement Expenses	$6,720
Charitable Contributions	$11,384
Taxes and Licenses	$37,915
Automobile Expenses	$29,782
Rent Expenses[4]	$32,400
Royalty Fees[5]	$134,185
Brand Fund Contributions[5]	$22,364
Net Revenue[6]	**$569,945**

Notes to Table 1

1. Gross Revenue includes all money received in the operation of the business, less sales tax collected from customers for transmittal to the appropriate taxing authority.

2. Cost of Goods Sold refers to the direct costs of producing the goods and services sold, including cost of inventory and materials.

3. Labor includes the cost of both employees as well as independent contractors.

4. Our affiliate-owned outlet operates in substantially the same manner as franchise outlets, but on a larger scale than is expected by a single-territory franchisee. As such, this outlet maintains a separate place of business beyond the owners' home, requiring rent payments, among other expenses. Most franchisees will operate out of a home office and therefore will not incur any rent expenses.

5. Our affiliate-owned outlets are not subject to the same fees which a franchisee will experience. Item 6 of this Disclosure Document provides more information about the fees that will be paid by franchisees, which includes the following fees set forth above: (i) Royalty Fees equal to 6% of Gross Revenue; and (ii) Brand Fund Contributions equal to 1% of Gross Revenue.

6. Net Revenue is calculated by subtracting the expenses listed above from Gross Revenue. The expenses listed above represent primary operating expenses but you may incur additional expenses in the operation of your Franchised Business.

Table 2

A Safe Pool – Average and Median Job Information
2023 Calendar Year

	Average	Median
Job Size (feet of fencing)	107 ft	120 ft
Price (per foot of fencing)	$23/ft	$22/ft
Shipping Cost per Job	$80	$78
Jobs per Week	5	4

Notes to Table 2

1. The figures above represent average and median metrics reported by our affiliate-owned A Safe Pool business located in and round Phoenix, Arizona during the 2023 fiscal year, rounded to the nearest dollar.

General Notes to Item 19

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

Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such

representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our Chief Executive Officer, Jason Howard, at 10115 E. Bell Road, Suite 107-626, Scottsdale, Arizona, (661) 932-1842, as well as the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary For Years 2021 through 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned	2021	1	1	0
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	1	1	0
	2022	1	1	0
	2023	1	1	0

* Our affiliate has one licensee that we intend to convert to a franchisee in 2024.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2021 through 2023

State	Year	Number of Transfers
Total	2021	0
	2022	0
	2023	0

Table No. 3*
Status of Franchised Outlets for Years 2021 through 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Totals	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

* Our affiliate has one licensee that we intend to convert to a franchisee in 2024.

©2024 A Safe Pool Franchising, LLC

Table No. 4
Status of Company-Owned and Affiliate Owned Outlets for Years 2021 through 2023

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at the End of the Year
Arizona	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Totals	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

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

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Arizona	0	1	0
California	0	1	0
Florida	0	1	0
Texas	0	1	0
Nevada	0	1	0
Totals	**0**	**5**	**0**

Exhibit H lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of December 31, 2023. Exhibit I lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement, or who has not communicated with us within ten (10) weeks of 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 franchise system.

None of our current and former franchisees have signed agreements with us that contain provisions that restrict their ability to speak openly about certain aspects of their experience with us and/or our System.

We do not currently have any trademark specific organizations associated with the franchise system being offered that we have created, sponsored, or endorsed.

©2024 A Safe Pool Franchising, LLC

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit D to this disclosure document is our audited opening day balance sheet as of May 31, 2024. We have not been offering and selling franchises for three or more years, and therefore do not have any other audited financial statements required to be included in this Item. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

The following agreements are attached to this disclosure document:

Exhibit A:	Franchise Agreement (and Exhibits, including Franchisee Compliance Certification Questionnaire)
Exhibit B:	Multi-Territory Addendum
Exhibit F:	State-Specific Addenda
Exhibit I:	Receipts

ITEM 23
RECEIPTS

Attached to this Disclosure Document as Exhibit I, in duplicate, is a Receipt to be signed by the prospective Franchisee receiving this Disclosure Document. You must sign each Receipt and return one copy to us.

©2024 A Safe Pool Franchising, LLC

EXHIBIT A
TO
A SAFE POOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

©2024 A Safe Pool Franchising, LLC

A SAFE POOL FRANCHISING, LLC

FRANCHISE AGREEMENT

©2024 A Safe Pool Franchising, LLC

TABLE OF CONTENTS

Section		Page
BACKGROUND		1
1.	PREAMBLES, ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE	2
2.	GRANT OF FRANCHISE	3
3.	TERM AND RENEWAL	5
4.	FEES AND PAYMENTS	6
5.	DUTIES OF FRANCHISOR	10
6.	DUTIES OF FRANCHISEE	13
7.	PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS	19
8.	OPERATIONS MANUALS AND CONFIDENTIAL INFORMATION	22
9.	ADVERTISING	24
10.	ACCOUNTING AND RECORDS	28
11.	INSURANCE	29
12.	INDEPENDENT CONTRACTOR AND INDEMNIFICATION	30
13.	TRANSFER AND ASSIGNMENT	31
14.	COVENANTS	35
15.	DEFAULT AND TERMINATION	37
16.	POST-TERM OBLIGATIONS	40
17.	TAXES AND INDEBTEDNESS	41
18.	WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT	42
19.	ENFORCEMENT	42
20.	NOTICES	43
21.	GOVERNING LAW AND DISPUTE RESOLUTION	44
22.	SEVERABILITY AND CONSTRUCTION	49
23.	ACKNOWLEDGMENTS	49

Exhibit A: Data Sheet
Exhibit B: Personal Guaranty
Exhibit C: EFT Authorization Form
Exhibit D: Confidentiality and Restrictive Covenant Agreement
Exhibit E: Conditional Assignment of Telephone Numbers and Domain Names
Exhibit F: Franchisee Disclosure Acknowledgement Statement

©2024 A Safe Pool Franchising, LLC

A SAFE POOL FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on this _____ ("Effective Date,") by and between: (i) A Safe Pool Franchising, LLC, an Arizona corporation with an address at 10115 E. Bell Road, Suite 107-626, Scottsdale, Arizona 85260 (the "Franchisor"); and (ii) _____, a _____ with an address at _____ (the "Franchisee").

BACKGROUND

A. Franchisor and its affiliate/principal have developed and own a system (the "System") related to the development, opening, and ongoing operation of a business that offers and installs various types of customized pool safety and maintenance products that Franchisor authorizes now or in the future, including pool safety fences, nets, mesh covers, automatic pool covers, leaf pool covers, and pool alarms (collectively, the "Approved Products," with the installation and any other related services referred to as the "Approved Services") for clients with new or existing residential or commercial pools (each, a "Client"). For purposes of this Agreement, each such business will be referred to herein as a "Franchised Business."

B. Franchisor's System is comprised of various elements, including without limitation: proprietary methodology and procedures for the establishment and operation of a Franchised Business; standards and specifications for the supplies, inventory and methodology associated with providing the Approved Products and Approved Services; advertising; marketing; standards and specifications for equipment; Franchisor's confidential and proprietary operations manual and, at Franchisor's option, other instructional manuals (collectively, the "Manuals"); and standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Franchised Business. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information that makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant Manuals are proprietary and confidential.

C. The System and Franchised Businesses are primarily identified by the mark A SAFE POOL, as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor may modify, update, supplement or substitute in the future (collectively, the "Proprietary Marks"). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

D. Franchisor is in the business of granting qualified individuals and entities a franchise for the right to independently own and operate Franchised Businesses utilizing the Proprietary Marks and System.

E. Franchisee desires to acquire the right and undertake the obligation to operate a single Franchised Business.

F. Franchisor is willing to grant Franchisee the right to operate a Franchised Business based on the representations contained in the franchise application and subject to the terms and conditions set forth in this Agreement.

©2024 A Safe Pool Franchising, LLC

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, the parties hereto, intending to be legally bound, do agree as follows:

1. PREAMBLES, ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

A. Franchisee acknowledges and represents that Franchisor, itself or through any officer, director, member, manager, employee, or agent, has not made, and Franchisee has not received or relied upon, any oral, written, visual, express, or implied information, representations, warranties, guarantees, or promises regarding the amount of sales levels or income Franchisee might expect to earn from the franchise granted hereby, except as set forth in the Franchise Disclosure Document.

B. Franchisee acknowledges that Franchisee's success in connection with the franchise granted hereunder will be largely dependent upon Franchisee's ability as an independent businessperson.

C. Franchisee has had the opportunity and adequate time to independently investigate, analyze, and construe both the franchise being offered and the terms and provisions of this Agreement, utilizing the services of legal counsel, accountants, and other advisors (if Franchisee so elects).

D. Any and all applications, financial statements, and representations submitted to Franchisor by Franchisee, whether oral or in writing, were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement unless the same has been otherwise amended in writing. Franchisee is not presently involved in any business activity that could be considered competitive in nature, unless previously disclosed to Franchisor in writing.

E. Franchisee's signature to this Agreement has not been induced by any representation inconsistent with the terms of this Agreement or inconsistent with the Franchise Disclosure Document given to Franchisee by Franchisor.

F. Franchisee agrees and acknowledges that it is solely responsible for ensuring that: (i) it acquires and maintains all business licenses, permits and approvals, including those related to the provision of the Approved Products and Approved Services, that are necessary to operate the Franchised Business; and (ii) the Franchised Business is otherwise operated in full compliance with all applicable federal, state and local laws and regulations at all times during the term of this Agreement.

G. Franchisee agrees and acknowledges that: (i) Franchisor may enter into franchise agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of a Franchised Business; and (ii) the existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.

H. Franchisee agrees and acknowledges as follows:

1. Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or Franchisor's affiliates.

2. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors.

2. GRANT OF FRANCHISE

A. **Grant of Franchise**. Franchisor hereby grants Franchisee, subject to the terms, conditions, and obligations of this Agreement, a non-exclusive right and license to use the Proprietary Marks and System in connection with the establishment and operation of a single Franchised Business.

B. **Approved Location; Territory.** Unless Franchisor approves otherwise in writing, Franchisee will be required to operate the Franchised Business at an approved location that meets Franchisor's then-current criteria and is set forth on the Data Sheet attached to this Agreement (the "Approved Location") within the designated territory set forth in the Data Sheet attached to this Agreement (the "Designated Territory"). Franchisee may not relocate the Franchised Business to any location other than the Approved Location without Franchisor's prior written consent, which Franchisor will not unreasonably withhold, provided: (i) Franchisee secures an alternate location for the Franchised Business within the Designated Territory (as defined below); and (ii) Franchisee reimburses Franchisor for the reasonable costs and expenses that Franchisor incurs in connection with evaluating and approving the proposed relocation.

C. **Designated Territory.** Franchisee shall only have the right to operate the Franchised Business and market within the Designated Territory. For so long as Franchisee is in compliance with this Agreement, Franchisor will not open or operate, or license a third party the right to open or operate, any other Franchised Business that utilizes the System and Proprietary Marks within the Designated Territory. Franchisee shall be permitted to provide the Approved Products and Approved Services in connection with homes outside of the Designated Territory, provided that Franchisee does not market directly to such customers and provided that such customers do not reside within a territory granted to another System franchisee.

D. **Rights Not Granted**. Franchisee acknowledges and agrees that this Agreement does not grant Franchisee any right or option to open any additional Franchised Businesses nor does this Agreement provide Franchisee with any right to sub-license or sub-franchise any of the rights granted hereunder. Franchisee may not use the Proprietary Marks or System for any purpose other than promoting and operating the Franchised Business within the

Designated Territory. Franchisor will have sole discretion as to whether it decides to grant Franchisee the right to open any additional Franchised Businesses, each of which will be governed by a separate form of Franchisor's then-current franchise agreement.

E. **Reservation of Rights**. Notwithstanding anything contained in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) own and operate businesses at any location(s) outside of the Designated Territory under the Proprietary Marks and System, or to license others the right to own and operate businesses at any location(s) outside of the Designated Territory under the Proprietary Marks and System; (ii) own and operate businesses under different marks at any location(s) inside or outside of the Designated Territory, or license to others the right to own and operate such businesses under different marks at any location(s) inside or outside of the Designated Territory; (iii) market, promote, distribute and sell the Approved Products and Approved Services to non-traditional customers or to "National Accounts" (as described more full in Section 2(G) below); (iv) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts, or related items, or in alternative channels of distribution; (v) market, promote, sell and distribute through wholesale and retail channels, including the internet, products for others to use to perform services the same as or similar to Approved Services for themselves or others, whether or not using Proprietary Marks; and (vi) use the Proprietary Marks and System, and license others to use the Marks and System to engage in any other activities not expressly prohibited in this Agreement. Nothing in this Agreement provides Franchisee with the right to conduct in any of the foregoing activities, or share in the revenue generated by any of these activities.

F. **Modification of System**. Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply therewith. Any change or modification that Franchisor makes to the System will not materially alter Franchisee's fundamental rights under this Agreement. Moreover, Franchisor will provide Franchisee with a reasonable amount of time to comply with any change or modification to the System once Franchisee has been notified of such change/modification in writing (via the Manuals or otherwise).

G. **National Accounts**. Franchisor will have the exclusive right, on behalf of itself, its affiliate(s), Franchisee, and/or other franchisees utilizing the Proprietary Marks, to negotiate and enter into agreements or approve forms of agreement to provide services to "National Accounts," including National Accounts that Franchisee has solicited or serviced. Franchisee may not solicit any National Accounts outside of the Designated Territory, or solicit any National Accounts within or outside of the Designated Territory who are already under contract with Franchisor. The term "National Account" means any business or businesses under common control, ownership, or branding, which operate locations in or deliver products and services beyond one protected territory, regardless of the volume of products and/or services to be purchased by the customer. Any dispute as to whether a particular customer is a National Account will be determined by Franchisor in its sole discretion and Franchisor's determination will be final and binding. Franchisee acknowledges and agrees that Franchisor shall have the right, exercisable in its sole discretion, to (i) provide, directly or through any other licensee or franchisee using the Proprietary Marks, such services to the National Account customer location(s) within the Designated Territory and/or (ii) contract with another party to provide such services to the National Account customer location(s) within the Designated Territory, on the terms and

conditions contained in the National Account bid or contract between Franchisor and the National Account customer. Franchisee agrees that neither the direct provision by Franchisor or a franchisee, licensee, or designee of Franchisor of services to National Account customers as authorized above, nor Franchisor's contracting with another party to provide such services as authorized above, shall constitute a violation of the grant of license contained in this Agreement or any other provision of this Agreement, even if such services are delivered from a location within the Designated Territory. Franchisee disclaims any right to compensation or consideration for work performed by others in the Designated Territory pursuant to this Section.

3. TERM AND RENEWAL

A. **Term**. Unless previously terminated pursuant to this Agreement, the term of this Agreement shall be for a period of five (5) years ("Initial Term") commencing as of the Effective Date.

B. **Renewal**. Franchisee may submit a request to renew this Agreement for up to three (3) additional, consecutive terms of five (5) years each, and must provide each request to renew no less than six (6) months and no more than twelve (12) months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:

1. Franchisee must not have: (i) any uncured material defaults under this Agreement (including any monetary defaults) or any other agreement between Franchisee or Franchisee's affiliates and Franchisor or Franchisor's approved suppliers, either at time of Franchisee's renewal request or at the time of renewal; and (ii) received more than two (2) separate, written notices of default from Franchisor with respect to this Agreement in the twelve (12) month period preceding the renewal request date or renewal date.

2. Franchisee must execute Franchisor's then-current form of franchise agreement, which may contain materially different terms and conditions from those contained in this Agreement.

3. Franchisee pays Franchisor a renewal fee amounting to Two Thousand Five Hundred Dollars ($2,500) prior to Franchisor entering into the renewal form of franchise agreement described in Section 3(B)(2) above. Franchisee will not be required to pay an additional Initial Franchisee Fee (as defined in Section 4) upon renewal.

4. At Franchisor's option, Franchisee and/or the Designated Manager (as defined in this Agreement and as applicable), attends a prescribed training refresher course at least thirty (30) days before the expiration of the then-current term of this Agreement. Franchisee will be responsible for all expenses incurred in connection with attending this refresher training.

5. Franchisee executes a general release, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its affiliates, officers, directors, shareholders, and employees in their corporate and individual capacities, including

without limitation, all claims arising under any federal, state, or local law, rule, or ordinance.

6. Franchisee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Approved Vehicle(s) (defined herein) and Franchised Business within the time frame required by Franchisor, including without limitation the design, equipment, vehicle wrap, displays, inventory assortment and depth, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly opened Franchised Business.

4. FEES AND PAYMENTS

A. **Fees**. In consideration of the rights and license granted herein, Franchisee agrees and acknowledges that it must pay the following amounts to Franchisor or, as noted below, Franchisor's designated supplier(s):

1. *Initial Franchise Fee.* Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee amounting to Forty-Nine Thousand Dollars ($49,000) (the "Initial Franchise Fee"), which fee shall be deemed fully earned and non-refundable under any circumstances upon payment.

2. *Pre-Opening Start-Up Package.* Upon execution of this Agreement, Franchisee shall purchase or lease certain equipment, tools, and marketing materials (the "Pre-Opening Start-Up Package") from Franchisor, Franchisor's affiliate or Franchisor's designated supplier(s) that that will be used in the operation of the Franchised Business, which may include, without limitation (i) certain equipment, including, but not limited to, initial inventory and tools based on market size, bought or leased from Franchisor, Franchisor's affiliates, or other designated supplier(s); (ii) uniforms and other apparel; (iii) certain marketing materials; and (iv) a designated quantity of Internet ad local marketing services and lead-generation services. Franchisee must also purchase any and all other items and services necessary to establish, open, and operate the Franchised Business in accordance with Franchisor's standards and specifications (including the computer hardware and software that Franchisor designates).

3. *Definition of Gross Sales.* In addition to the fees above, Franchisee will be required to pay Franchisor certain ongoing fees that may be based on gross sales. As used in this Agreement, "Gross Sales" include all: (a) revenue from the sale of all products and performance of services from the Franchised Business, whether for cash or credit, and regardless of collection in the case of credit, and any other income of every kind and nature related to the Franchised Business; and (b) any rebates or other consideration that Franchisee receives from third-party vendors/suppliers. "Gross Sales" from customers will not include monies that are collected and submitted by Franchisee to the appropriate taxing authority. In computing the Gross Sales, the Franchisee shall be permitted to deduct the amount of cash refunds to, and coupons or other discounts used by customers at or prior to the time the customer has paid the full balance owed to Franchisee, provided such amounts have been included in Gross Sales and provided such coupons or other discounts were provided in accordance with Franchisor's specifications.

4. *Royalty Fee.* Once the Franchised Business is open and operating (and/or required to be open and operating under this Agreement), Franchisee will pay Franchisor a continuing monthly royalty fee in the amount equal to the greater of: (i) Six Percent (6%) of Gross Sales of the Franchised Business from the preceding month; or (ii) the applicable minimum royalty (the "Minimum Royalty") set forth in Section 4(A)4(a) below (collectively, the "Royalty Fee"). The Royalty Fee shall be payable on or before the fifth (5th) of each month based on the Gross Sales generated by the Franchised Business in the immediately preceding calendar month. The Royalty Fee is deemed fully earned and nonrefundable upon payment.

   a. *Minimum Royalty*. During each twelve (12) months of operations of the Franchised Business, Franchisee shall be required to pay to Franchisor a Minimum Royalty equal to Twelve Thousand Dollars ($12,000). In the event Franchisee's total Royalty Fees paid to Franchisor during any twelve (12) month period of operations is less than Twelve Thousand Dollars ($12,000), Franchisee shall pay the difference between Twelve Thousand Dollars ($12,000) and the amount of Royalty Fees paid to Franchisor during such twelve (12) month period on the fifth (5th) of the following month.

   b. *Minimum Gross Sales*. During each twelve (12) months of operations of the Franchised Business, Franchisee shall be required to generate a minimum of Two Hundred Thousand Dollars ($200,000) in Gross Sales (the "Minimum Gross Sales"). In the event that Franchisee fails to generate the Minimum Gross Sales for two (2) consecutive twelve (12) month periods, Franchisor reserves the right to terminate this Agreement immediately upon notice to Franchisee.

5. *Brand Development Fund Contribution.* Franchisor has established or shall establish a System-wide marketing and technology fund (the "Fund"). Franchisee shall make monthly contributions to the Fund amounting to the then-current required contribution (the "Fund Contribution"), which shall not exceed Three Percent (3%) of the Gross Sales of the Franchised Business from the preceding month. The Fund Contribution shall be paid at the same time and in the same manner as the Royalty Fee. Franchisor may modify the Fund Contribution requirements upon thirty (30) days written notice to Franchisee.

6. *Technology Fee; Required Software-Related Fees.* In connection with certain technology and related systems that Franchisor designates for use in connection with the System, Franchisee must pay any license fees or other amounts necessary to acquire, update, and maintain access to such required software (the "Required Software") and other technology designated by Franchisor, including without limitation, any point-of-sale and/or CRM system that Franchisee must use in connection with the Franchised Business, to Franchisor, Franchisor's affiliate, or Franchisor's then-current approved suppliers. As stated in the preceding sentence, Franchisor reserves the right to collect a technology fee directly and Franchisor also reserves the right to change the scope of services covered by the technology fee in the future as System technology changes (the "Technology Fee"). The Technology Fee shall be payable at the same time and same manner as the Royalty Fee. Franchisor shall not increase the technology fee by more than ten percent (10%) per year during the Initial Term of this Agreement.

B. **Method of Payment; Bank Accounts.**

1. *Method of Payment.* Unless otherwise designated by Franchisor, Franchisee shall pay all fees and other amounts due to Franchisor and/or its affiliates under this Agreement through an electronic funds transfer program (the "EFT Program"), under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with the EFT Program (the "EFT Account"). Franchisor reserves the right to change the method of payment at any time upon reasonable notice to Franchisee. Notwithstanding the foregoing, Franchisee may be permitted to make certain payments for inventory purchased from Franchisor, Franchisor's affiliates, or Franchisor's designated suppliers via credit card.

2. *Use of EFT Account for Operational Funds.* Franchisee shall immediately deposit all revenues from operation of the Franchised Business into the EFT Account immediately upon receipt, including cash, checks, and credit card receipts. At least ten (10) days prior to opening the Franchised Business, Franchisee shall provide Franchisor with: (i) Franchisee's bank name, address and account number; and (ii) a voided check from such bank account, if required. At least ten (10) days prior to opening the Franchised Business, Franchisee shall sign and provide to Franchisor and Franchisee's bank, all documents, including Franchisor's form of EFT Authorization Form attached as Exhibit C to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer. Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account. As stated in Section 4(B)(1) above, Franchisee is permitted to make inventory purchases associated with the Franchised Business on Franchisee's own line of credit, provided Franchisee accounts for such purchases in accordance with Franchisor's standards. Franchisee acknowledges Franchisor will not extend a line of credit to Franchisee for any such purchases.

C. **Access to Computer System**. Franchisor may, without notice to Franchisee, have the right to independently and remotely access any proprietary software program and/or the computer system that Franchisee uses in connection with the Franchised Business or will be required to use in the future (the "Computer System"), via the Internet other electronic means, in order to obtain any financial and/or Client information that is related to the operation of the Franchised Business, including without limitation, Gross Sales and Client contact and property information. Franchisee must obtain and use the Computer System hardware, software and other components that Franchisor prescribes for use in connection with the Franchised Business and utilize and participate in any intranet/extranet that Franchisor establishes in connection with the System. Franchisee hereby consents to Franchisor using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by Franchisor or disclosed to Franchisor in accordance with this Agreement.

D. **Operational Reports; Right to Modify Payment Interval**.

1. Franchisee shall provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a signed Gross Sales report no later than the third (3rd) of each month for Gross Sales generated during the immediately preceding month detailing the information from the preceding month, including the amount of all fees owed to Franchisor or its affiliates and such evidence that Franchisee has made its required local advertising expenditures; (ii) on or before the twentieth (20th) of each month, an unaudited profit and loss statement for the Franchised Business for the preceding calendar month; (iii) within sixty (60) days of Franchisor's request, a financial statement that details the total assets and liabilities of the Franchised Business (and, if appropriate, of Franchisee and any personal guarantors under this Agreement); (iv) within sixty (60) days after the close of each fiscal year of Franchisee, financial statements which must include a profit and loss statement and a balance sheet of the Franchised Business, all as of the end of such fiscal year; and (v) any other financial information or performance metrics of the Franchised Business that Franchisor may reasonably request.

2. The parties agree and acknowledge that Franchisor may modify the interval at which it collects Franchisee's Royalty Fee, Fund Contribution and other recurring fees under this Agreement upon written notice (e.g., Franchisor may provide Franchisee with notice that it will be collecting these fees on a weekly rather than monthly basis). In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

3. Franchisee hereby grants Franchisor permission to report and distribute Franchisee's sales, expense, and profit information to other existing franchisees of Franchisor with such additional information as Franchisor may deem appropriate to make the information a useful business aid to Franchisee and other franchisees of Franchisor. Franchisee will save and hold harmless Franchisor against and from any and all claims, liabilities, or suits resulting from or in connection with any acts or omission of Franchisor in the aforementioned reporting of financial information.

E. **Late Payments**. If any payment due under this Agreement is not received by Franchisor by the scheduled date due, Franchisee shall be in default under this Agreement. If any payment is overdue, whether due to insufficient funds or otherwise, Franchisee shall pay a late payment fee of One Hundred Dollars ($100) per occurrence, and in addition to the overdue amount, interest at a rate of the lesser of one and a half percent (1.5%) per month or the highest amount permitted by applicable law in the state where the Franchised Business is located, beginning from the date of non-payment or underpayment, until paid. Entitlement to collect such interest shall be in addition to any and all other remedies Franchisor may have.

F. **Taxes Owed by Franchisee**. No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor, subject to the definition of Gross Sales as set forth above. All taxes, charges, or assessments shall be paid by Franchisee to the taxing authorities when due, in addition to the amounts due to Franchisor.

5. DUTIES OF FRANCHISOR

A. Initial Training.

1. *Initial Training Prior to Opening.* Franchisor will provide its initial training program (the "Initial Training Program") to Franchisee (or its operating principal if Franchisee is an entity) and, if applicable, the individual that Franchisee has designated and Franchisor has approved to handle the day-to-day management of the Franchised Business (a "Designated Manager"). Franchisor will not charge any tuition or its then-current training fee to provide the Initial Training Program or appropriate components thereof for up to two (2) total individuals, provided both individuals attend such training at the same time prior to opening the Franchised Business. The parties agree and acknowledge that: (i) certain portions of the Initial Training Program may be provided by Franchisor remotely; (ii) other portions of the Initial Training Program must be attended and completed at Franchisor's headquarters or other designated training facility; and (iii) Franchisee shall bear all its costs and expenses incurred by Franchisee and all other trainees in connection with the Initial Training Program, including without limitation, travel, lodging, meals, local transportation and wages for any personnel.

2. *Replacement Personnel.* Franchisor will also provide the Initial Training Program or appropriate portions thereof to any replacement personnel that will serve as Franchisee's Designated Manager of the Franchised Business, provided Franchisee pays Franchisor's then-current training fee for such initial training (as well as any costs and expenses incurred) and subject to the schedule and availability of Franchisor's training staff.

B. **On-Site Assistance.** Subject to Franchisee and its appropriate personnel attending and completing all necessary training to commence operations of the Franchised Business Franchisor may, at its discretion, provide on-site assistance at the Franchised Business or otherwise within the Designated Territory hereunder that typically lasts up to three (3) business days and is provided around the time that Franchisor approves Franchisee to commence operations of the Franchised Business.

C. Additional and Refresher Training.

1. *Required Additional Training.* Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee and/or its Designated Manager to attend such courses no more frequently than: (i) two (2) sessions of additional/refresher training year, which, combined will not exceed seven (7) total days and may take place at Franchisor's designated training facility (or other location that Franchisor designates); and (ii) twenty-four (24) hours of additional or refresher training via webinar or other medium that allows for remote attendance and completion ("Additional Training"). Franchisor will not require Franchisee to pay its then-current training fee in connection with any Additional Training that Franchisor requires under this Section, but Franchisee will be responsible for the costs and expenses incurred in connection with Franchisee and its designated personnel attending such training, which may take place at a training facility that Franchisor designates.

2. *Requested Additional Training and/or On-Site Assistance.* Franchisor may also provide Additional Training or other on-site assistance at Franchisee's reasonable written request, subject to: (i) the schedule and availability of Franchisor's training personnel; and (ii) Franchisee paying Franchisor's then-current training fee for each trainer that is provided in connection with the requested training, as well as Franchisee covering the costs and expenses that such personnel incur in providing such training. Franchisor will provide training under this Section as it deems appropriate in its discretion.

3. *Remedial Training.* Franchisor may require Franchisee to attend up to five (5) days of remedial training that Franchisor reasonably determines Franchisee and appropriate personnel must undertake in response to: (i) the failure of Franchisee or any other required personnel to sufficiently complete the Initial Training Program or any type of Additional Training that Franchisor requires under Section 5(C)(1) above; or (ii) Franchisee's failure to operate the Franchised Business in accordance with the terms of the Franchise Agreement after Franchisor has provided Franchisee with written notice of such failure ("Remedial Training"). Franchisor reserves the right to charge its then-current training fee for any Remedial Training that is provided to Franchisee and/or its personnel at any location. Franchisee must also cover the costs and expenses incurred by Franchisor and its personnel in providing such Remedial Training.

D. **Manuals**. Franchisor will provide access to, or otherwise loan, Franchisee one (1) copy of the Manuals prior to the opening of the Franchised Business. Franchisor will also loan Franchisee a list of: (i) all furnishings, equipment, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Business (collectively, the "Required Items"); (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items, which may include Franchisor or its affiliates (collectively, the "Approved Suppliers"); and (iii) a list of the Approved Services that Franchisee is authorized to offer, sell or provide at and from the Franchised Business. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to Franchisee. Franchisor may also establish and maintain a website portal or other intranet for use by Franchisee and other Franchised Business owners (the "Web Portal"), wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed on the Web Portal. In the event Franchisee or its personnel saves or prints out a hard copy of any Manual, then such electronic/hard versions of said Manuals must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose).

E. **Site Selection Review and Approval**. Following execution of this Agreement, Franchisor may: (i) provide Franchisee with basic site selection criteria that Franchisor establishes for a third-party premises of a Franchised Business, if any; (ii) review and evaluate any site relocation proposals from Franchisee; and (iii) approve or reject such site selection proposals if requested.

F. **Grand Opening Event/Launch Marketing Assistance**. Franchisor may assist Franchisee, as it deems appropriate in its discretion, in developing and conducting the Grand Opening Marketing (as defined and described more fully in Section 9 of this Agreement), which program will be conducted at Franchisee's expense.

G. **Continuing Assistance**.

1. Franchisor may, as it deems appropriate and advisable in its sole discretion, provide continuing advisory assistance in the operation of the Franchised Business. Franchisor's determination not to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.

2. Franchisor may provide such assistance via any communication channel Franchisor deems appropriate, subject to the availability and schedules of Franchisor's personnel.

3. In the event Franchisee requests that Franchisor provide any type of assistance or training on-site at the Franchised Business, then Franchisee may be required to pay Franchisor's then-current training tuition fee in connection with such training (in addition to reimbursing Franchisor for any costs/expenses that Franchisor's personnel incurs in connection with providing such assistance).

H. **Review of Advertising Materials**. Franchisor will review and approve/reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Business as described more fully in Section 9 of this Agreement.

I. **Website**. For so long as Franchisor has an active website containing content designed to promote the A SAFE POOL brand, System and Proprietary Marks (collectively, the "Website"), Franchisor will list the contact information of the Franchised Business on this Website, provided Franchisee is not in material default under this Agreement.

J. **Email Addresses**. Franchisor will provide Franchisee with at least one (1) email address, which: (i) Franchisee is required to use in connection with the Franchised Business; and (ii) must be the only email address(es) used in connection with the Franchised Business.

K. **Private Label Products**. Franchisor may directly or indirectly through Franchisor's affiliates or designated vendors, develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks to be used by Franchisee and/or offered and sold by Franchisee as part of the Approved Products and Approved Services that are provided by the Franchised Business. Franchisee may be required to purchase these items from Franchisor or any other Approved Supplier that Franchisor designates.

L. **Inspections**. Franchisor will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Business to ensure that Franchisee is operating its Franchised Business in compliance with the terms of this Agreement, the Manuals and the System standards and specifications. Such inspections may include: (i) inspections of the Approved Location, any and all vehicle(s) used in connection with the Franchised Business, and any and all books and records; or (ii) conducting inspections designed to evaluate the Approved Products and Approved Services provided by the Franchised Business and any pre-sale activities involved with the same. Inspections will only occur during normal business hours. Franchisee is solely responsible for ensuring that the Franchised Business is being operated in compliance with all applicable laws and

regulations. With respect to the Approved Location, inspections will only involve the physical area that is specifically devoted to the Franchised Business.

M. **Administration of Fund**. Franchisor will administer the Fund as it deems advisable to the System in its sole discretion as described more fully in Section 9 of this Agreement.

N. **No Assumption of Liability**. Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site approval or other approval provided under this Section 5, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance provided by Franchisor is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral that the Franchised Business is likely to achieve any level of volume, profit or success.

O. **Delegation of Duties**. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by this Agreement, as Franchisor may direct.

P. **Pre-Opening Obligations Acknowledgement**. If Franchisee believes Franchisor has failed to provide adequate pre-opening services as provided in this Agreement, Franchisee shall notify Franchisor in writing within sixty (60) days following the opening of the Franchised Business. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor fully complied with all of its pre-opening and opening obligations set forth in this Agreement.

Q. **Annual Conference**. Franchisor may establish and conduct an annual conference for all franchise owners and may require Franchisee (or its Designated Manager) to attend this conference, but for no more than five (5) days each year. Franchisee will be solely responsible for all expenses incurred in attending the annual conference (including any employee wages), and Franchisor reserves the right to require Franchisee to pay Franchisor its then-current convention fee prior to attending.

R. **Call Center**. Franchisor reserves the right, but is under no obligation, to establish a System-wide call center (the "Call Center"). If Franchisor or its designee does so, Franchisee will have the right to participate, provided Franchisee pays the then-current rate charged by Franchisor or Franchisor's Approved Supplier for call center services.

6. DUTIES OF FRANCHISEE

A. **Securing an Approved Location**. Franchisee shall operate the Franchised Business from the Approved Location, which must be approved by Franchisor in writing. The Approved Location is generally recognized to be Franchisee's home; provided, however, Franchisee is permitted but not obligated to enter into a separate lease for an office location that has been approved by Franchisor. Should Franchisee enter into a lease for the Approved Location (the "Lease"), Franchisee must do so within ninety (90) days from the execution of this Agreement.

B. **Time to Open**. Franchisor must provide its prior written consent before Franchisee may open the Franchised Business, and Franchisor reserves the right to inspect the Approved Vehicle or the Franchised Business at any reasonable time prior to the opening date. Should

Franchisee fail to open the Franchised Business for operation within four (4) months of the Effective Date of this Agreement or, if applicable, within an extension of time approved in writing by Franchisor, this Agreement will be deemed terminated upon written notice from Franchisor to Franchisee, without the necessity of further action or documentation by either party.

C. **Licenses and Permits for Franchised Business**. Prior to opening, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the Franchised Business at the Approved Location and within the Designated Territory, including all required licenses and permits related to the offer, sale, and performance of Approved Products and Approved Services.

D. **Licensing Requirements for Personnel**. Franchisee must ensure that the applicable Approved Services provided by the Franchised Business are only conducted by individuals that have the necessary contractors' or equivalent licenses and/or other applicable certifications or approval, if any, necessary to provide the Approved Services at issue. Franchisee acknowledges it is Franchisee's responsibility to keep current all applicable state, local, and federal licenses required to operate the Franchised Business.

E. **Approved Services and Approved Products; Provision of Approved Services by Licensed Personnel**

1. *Authorized Products and Services Only.* Franchisee must only offer and sell only the Approved Products and Approved Services through the Franchised Business. Franchisee may not offer or provide any other products/services and must not deviate from Franchisor's System standards and specification related to the manner in which the Approved Products and Approved Services are offered and sold, unless Franchisor provides its prior written consent. Franchisor has the right to add, delete or otherwise modify certain of the Approved Products or Approved Services from time to time as Franchisor specifies in the Manuals or otherwise in writing, as it deems appropriate in its sole discretion. In the event of a dispute between Franchisee and Franchisor concerning Franchisee's right to carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory, remove the disputed service from those services offered at the Premises, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute.

2. *Personnel that May Provide Certain Approved Services.* Franchisee must ensure that any Approved Services provided through the Franchised Business are provided by individual(s) who possess the required license and/or certification (if and as required) to provide such Approved Services, or, as applicable, individual(s) who have completed any specific training required by Franchisor (which may be Franchisee or its Designated Manager or other individual).

F. **Approved Vehicles, Signs, and Inventory**. Franchisee must maintain at all times during the term of this Agreement and any renewals hereof, at Franchisee's expense, the vehicle(s) that must be used in connection with the Franchised Business (the "Approved Vehicle(s)"), the Franchised Business itself, and all equipment and inventory therein as necessary to comply with Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and

replacements to the foregoing as Franchisor requires. At Franchisor's request, which shall not be more often than once every five (5) years, Franchisee shall refurbish and/or upgrade the Approved Vehicles, any equipment thereon, and other components of the Franchised Business at its expense, to conform to the design, trade dress, color schemes, and presentation of Proprietary Marks consistent with Franchisor's then-current standards and conditions for the System, including without limitation, redecoration, remodeling, and modifications to existing improvements, but specifically excluding vehicle wraps, lettering, and/or trade dress for those vehicles used in the operation of the Franchised Business that may be updated more frequently (collectively, the "Vehicle Updates"). Franchisee must complete any Vehicle Updates within four (4) months of Franchisor's request.

G. **Compliance with Applicable Laws**. Franchisee must at all times conduct and operate the Franchised Business in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto.

H. **Approved Vehicle; Other Required Items**. Franchisee must: (i) purchase, lease, and/or maintain any and all Required Items that Franchisor designates for use in connection with the Franchised Business that may include, without limitation, the Approved Vehicle, Computer System, equipment, supplies, and inventory; (ii) ensure that all Required Items meet Franchisor's standards and specifications; and (iii) purchase all items Franchisor specifies from the Approved Supplier that Franchise designates, which may include Franchisor or its affiliates. Franchisee agrees and acknowledges that Franchisor and/or its affiliates may derive revenue from the offer and sale of Required Items. Franchisee shall cause the Approved Vehicle to be wrapped or painted in signage and artwork as approved by Franchisor prior to opening the Franchised Business. Franchisee agrees to maintain any Approved Vehicle in good mechanical condition and an appearance that properly represents the System to the public and to improve vehicle appearance at the request of the Franchisor.

I. **Required Purchases of Inventory and Supplies**. Franchisee must purchase all inventory and supplies required to sell and provide the Approved Services, as well as thereafter maintain such inventory/supply levels, as Franchisee deems reasonably necessary and appropriate to meet current customer demand and any anticipated customer demand in the near future.

J. **Inspection of Items**. Franchisee shall permit Franchisor or its agents, at any reasonable time, to remove from the Franchised Business samples of items without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent, certified laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor, or if the sample fails to conform to Franchisor's specifications.

K. **Alternative Supplier Approval**. If Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, to the extent known. At Franchisor's request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to

purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee's request is approved or denied within thirty (30) days of: (i) Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied. Franchisor may, but is not obligated to, provide Franchisee's proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with any of Franchisor's requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract. Franchisor may re-inspect and revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate.

L. **Computer Issues**. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders in connection with the operation of the Franchised Business, including the any proprietary software used in connection with the System.

M. **Training Completion and Conference Attendance**.

1. Franchisee must ensure that Franchisee and its Designated Manager (if applicable) each attend and successfully complete the Initial Training Program prior to opening the Franchised Business.

2. Franchisee must also ensure that Franchisee and its Designated Manager or other personnel (if applicable) attend and complete any Additional Training or Remedial Training that may be required pursuant to this Agreement.

3. Franchisee agrees and acknowledges that it will be solely responsible for: (i) all costs associated with Franchisee and/or its designated personnel attending any initial or ongoing training provided by Franchisor or any third-party trainer pursuant to this Agreement; and (ii) paying Franchisor its then-current Training

Fee for any (a) Additional Training requested by Franchisee, (b) Remedial Training that Franchisee is required to complete as part of its cure actions with respect to a default hereunder, or (c) any replacement or new personnel that needs to attend any portion of our Initial Training Program, as set forth in this Agreement.

4. Any failure by Franchisee and/or its Designated Manager (if applicable) to (a) attend and complete the Initial Training Program, or (b) any other training/conferences that such individual(s) are required to attend and/or complete hereunder will constitute a material default of this Agreement and grounds for termination if not cured within the appropriate cure period set forth in this Agreement.

N. **Training of Personnel.** Franchisee or at least one (1) of Franchisee's personnel that has successfully completed the entire Initial Training Program must conduct training classes for, and properly train, all of Franchisee's employees on all information that is relevant to each individual's role with the Franchised Business, including Franchisor's standards and specifications for operating the Franchised Business, as Franchisor may set forth in the Manuals or otherwise in writing. Further, at least one (1) person that has completed the entire Initial Training Program must manage the Franchised Business at all times.

O. **Hours of Operation**. Franchisee shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may prescribe in the Manuals or otherwise in writing and must ensure that the Franchised Business is sufficiently staffed.

P. **Image**. Franchisee shall maintain the image of the Approved Vehicles and Franchised Business at all times in accordance with Franchisor's standards and specifications, including: (i) ensuring that each Approved Vehicle is maintained in a clean and orderly manner; and (ii) ensuring that all equipment, and fixtures used in connection with the Franchised Business remains in good, clean condition.

Q. **Customer Lists and Data/Agreements; Privacy Laws**.

1. Franchisee must (i) maintain a list of all of its current and former Clients, as well as their properties and any Approved Services contracts associated therewith (the "Client Information"), at the Premises; and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly return this information to Franchisor upon expiration or termination of this Agreement for any reason. This Client Information is deemed "Confidential Information" (as later defined in this Agreement) and Franchisor's exclusive property hereunder, including all Approved Services contracts with such Clients. Franchisee acknowledges that Franchisor may have automatic access to any or all of this information via the Computer System and related software that Franchisor requires for use in connection with the Franchised Business.

2. Franchisee agrees to comply with all applicable laws pertaining to the privacy of the Client, employee, and transactional information ("Privacy Laws"). Franchisee further agrees to comply with Franchisor's standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee will: (i) comply with the requirements of applicable law; (ii) immediately give Franchisor written notice of said conflict; and (iii) promptly and fully cooperate with Franchisor in

determining the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent.

S. **Promotional Prices; Pricing Guidelines**. To the extent permitted under applicable law, Franchisee must use commercially reasonable efforts to follow Franchisor's general pricing guidelines, including any promotional prices set by Franchisor for a particular Approved Product or Approved Service. As an independent contractor, however, Franchisee may exercise flexibility in meeting competition with respect to the pricing of the Approved Products and Approved Services.

T. **Operation of Franchised Business and Customer Service**. Franchisee shall manage and operate the Franchised Business in an ethical and honorable manner and must ensure that all those working at the Franchised Business provide courteous and professional services to customers and always keep its customers' interests in mind while protecting the goodwill of the Proprietary Marks, System and the Franchised Business. Franchisee must handle all customer complaints and requests for returns and adjustments in a manner consistent with Franchisor's standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by Franchisor. Franchisee must consider and act promptly with respect to handling of customer complaints and implement complaint response procedures that Franchisor outlines in the Manuals or otherwise in writing.

U. **Access for Inspections/Audit**. To determine whether Franchisee is complying with this Agreement, Manuals and the System, Franchisor and its designated agents or representatives may at all times and without prior written notice to Franchisee: (i) observe and monitor the operation of the Franchised Business for consecutive or intermittent periods as Franchisor deems necessary; (ii) inspect photograph, or videotape the Franchised Business, equipment, or operations therein; (iii) interview or survey personnel and Clients of the Franchised Business; and (iv) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Business, including all financial information. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken) and take such steps as may be necessary to immediately correct the deficiencies detected during any such inspection. If Franchisor exercises any of these rights, Franchisor will use commercially reasonable efforts to not unreasonably interfere with the operation of the Franchised Business.

V. **Personal Participation by Franchisee**. Franchisee must personally participate in the direct management operation of the Franchised Business on a full-time basis, unless Franchisee engages a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the Franchised Business when Franchisee is not present. If Franchisee designates a manager at any time, that Designated Manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the Franchised Business and must manage the Franchised Business on a full-time basis. Regardless of whether Franchisee engages a Designated Manager, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

W. **Credit Cards and Payment Methods**. Franchisee must accept credit cards in connection with the Franchised Business to facilitate sales, including Visa, MasterCard, American

Express, and Discover and any other major credit cards designated by Franchisor. Franchisee may also accept cash and/or checks in connection with the Franchised Business. Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards ("PCI DSS"), as such standards may be revised and modified by the PCI Security Standards Council (see www.pcisecuritystandards.org), or any successor organization or standards that Franchisor may reasonably specify. Franchisee's requirements include, but are not limited to, implementing the enhancement, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

X. **Payment Obligations**. Franchisee agrees to promptly pay amounts that are due to Franchisor, its affiliates or any Approved Supplier.

Y. **Employment and Other Personnel Decisions**. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's employees must be competent, conscientious, and properly trained.

7. PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

A. **Ownership of Proprietary Marks**. Franchisee acknowledges the exclusive ownership and/or right to use the Proprietary Marks by Franchisor, and Franchisee agrees that during the term of this Agreement and after its expiration or termination Franchisee will not directly or indirectly contest or aid in contesting the validity of the Proprietary Marks or the ownership or rights of the Proprietary Marks by Franchisor. Furthermore, Franchisee intends and hereby concedes that any commercial use Franchisee may make of the Proprietary Marks shall contribute and inure to the commercial use and benefit of Franchisor, which Franchisor may claim to strengthen and further secure ownership of the Proprietary Marks.

B. **Permitted Use**. It is understood and agreed that the permitted use by Franchisee of Franchisor's Proprietary Marks applies only in connection with the operation of the Franchised Business in the Designated Territory, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor.

C. **Use of Proprietary Marks in Advertising and Signage**. To develop and maintain high, uniform standards of quality and service and thereby protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:

1. Operate and advertise the Franchised Business only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals;

2. Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from

Franchisor, to immediately discard and cease use of Proprietary Marks or other imagery that has become obsolete and no longer authorized by Franchisor.

3. Upon Franchisor's request and in the manners designated by Franchisor, Franchisee hereby agrees that will represent that Franchisee is an independently owned and operated business that is an authorized franchisee of A Safe Pool Franchising, LLC.

D. **Proprietary Marks are Sole Property of Franchisor**. Franchisee acknowledges that the Proprietary Marks, System, Manuals, and all other information and items delivered to Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, are the sole and exclusive property of Franchisor, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement for the term hereof and strictly in the manner prescribed. Franchisee agrees that it will not, during the term of this Agreement or any time thereafter, contest or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, and other information, intellectual property, and items delivered or provided or to which Franchisee obtains access under this Agreement, nor shall Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement.

E. **Legal Action Involving Proprietary Marks**. Furthermore, Franchisee agrees to cooperate with and assist Franchisor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the Manuals and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.

F. **Improvements**. Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Franchisee or its employees or agents that are in any way related to the establishment or operation of the Franchised Business (collectively, the "Improvements"), all of which shall be automatically and without further action owned by Franchisor without compensation to Franchisee (including all intellectual property rights therein). Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Franchisee hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

G. **Modification or Substitution of Marks by Franchisor**. If in Franchisor's reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Proprietary Marks, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify, discontinue, or to use one (1) or more

additional or substitute trade or service Proprietary Marks then upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages.

H. **Modification of Proprietary Marks by Franchisee**. Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.

I. **Non-Exclusive Use of Proprietary Marks**. Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor in its sole discretion has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement, and that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.

J. **Acknowledgements**. With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:

1. Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or any other business name, domain name, e-mail address or any social media or social networking profile/page, unless permitted in writing by Franchisor;

2. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefor without Franchisor's prior written consent; and

3. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.

K. **Use Outside Scope**. Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this license without Franchisor's prior written consent is an infringement of Franchisor's exclusive ownership of the Proprietary Marks and, during the term of this Agreement and after the expiration or termination hereof, Franchisee covenants not to directly or indirectly commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.

L. **Notification of Infringement**. Franchisee shall notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that

Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.

M. **Indemnification Regarding Marks**. Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Business, provided: (i) such use is in full compliance with Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section.

N. **Other Obligations of Franchisee**. In addition to all other obligations of Franchisee with respect to the Proprietary Marks licensed herein, Franchisee agrees:

1. To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the Internet or otherwise online, except as approved in writing by Franchisor; and

2. To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

8. OPERATIONS MANUALS AND CONFIDENTIAL INFORMATION

A. **Manuals**. Franchisor will loan or provide online access to one (1) copy of the Manuals to Franchisee. The Manuals shall at all times remain the sole property of Franchisor and any and all copies (hard copies or electronic files) of the Manuals must be returned to Franchisor upon termination or expiration and non-renewal of this Agreement. In order to protect the reputation and goodwill of Franchisor and the System, and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct the Franchised Business in strict accordance with Franchisor's Manuals. In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions (at its expense). Franchisee agrees at all times to keep its copy of the Manuals current and up-to-date. In the event of any dispute as to the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained by Franchisor at its home office shall be controlling. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

B. **Control of Franchised Business**. Franchisee acknowledges any Manuals provided by Franchisor to Franchisee are intended to protect Franchisor's standards, systems, names, and marks, and are not intended to control day-to-day operation of the Franchised Business. Franchisee further acknowledges and agrees that the Franchised Business will be under the control of the Franchisee at all times, and that Franchisee will be responsible for the day-to-day operation thereof.

C. **Confidential Information**. In connection with the operation of the Franchised Business, Franchisee will from time to time become acquainted with, work with, and generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or proprietary information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business. Franchisee agrees that it will have no proprietary interest in any work product developed or used by it that arises out of the operation of the Franchised Business. Franchisee will, from time to time as may be requested by Franchisor, do all things that may be necessary to establish or document Franchisor's ownership of any such work product, including without limitation, the execution of assignments.

D. **Trade Secrets and Confidential Information**. The confidentiality requirements set forth in the preceding paragraph will remain in full force and effect during the term of this Agreement and in perpetuity after its termination or expiration and non-renewal. Franchisor's trade secrets and proprietary/confidential information include, without limitation, the following (which shall be defined collectively as the "Confidential Information"):

1. The Manuals;

2. Any customer data, including the names, contact information, purchasing history, and any other information concerning Clients, except for credit card numbers, bank information or other financial data related to the transaction of funds between the Franchisee and Clients (collectively, the "Customer Data");

3. Any and all information and materials, including all items covered by copyright or any other intellectual property, associated with any proprietary software used in connection with the system;

4. Any information or materials, whether technical or non-technical, that is used in connection with or otherwise related to the establishment and operation of a Franchised Business or the System that is not commonly known by, or available to, the public, including without limitation, any proprietary software; and

5. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential.

E. **Confidential Information as Property of Franchisor**. Franchisee acknowledges and agrees that the Confidential Information, which includes the Customer Data, and any business goodwill of the Franchise are Franchisor's sole and exclusive property and that Franchisee will preserve the confidentiality thereof. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings

incorporating any Confidential Information will be immediately turned over by Franchisee, at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

F. **Information Not Confidential**. Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as defined in Section 8(H) below) is information that:

1. Becomes publicly known through no wrongful act of Franchisee or Restricted Persons; or

2. Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully known to them without confidential restriction from a source other than Franchisor.

A. **Reasonable Efforts to Maintain Confidentiality**. Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such information secret and confidential, including without limitation, all logins/passwords/keys necessary to access any component of the Computer System or related software used in connection with the Franchised Business. The Manuals must remain at the Approved Location and be kept in a secure location, under lock and key, except when it is being studied by Franchisee or Franchisee's employees. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.

B. **Prevention of Unauthorized Use or Disclosure**. Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its officers, agents, directors, shareholders, trustees, beneficiaries, partners, employees, and independent contractors (which shall include the Designated Manager if applicable), who may obtain or who are likely to obtain knowledge concerning the Confidential Information (collectively, "Restricted Persons") execute Franchisor's prescribed form of confidentiality agreement that will be in substantially the same form attached to this Agreement as Exhibit D (the "Confidentiality and Restrictive Covenant Agreement"). Franchisee must obtain a signed copy of the Confidentiality and Restrictive Covenant Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Restrictive Covenant Agreement within ten (10) days of Franchisor's request.

9. ADVERTISING

A. **Advertising and Sales Promotion Programs**. Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all or some of the Franchised Businesses operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including without limitation, the type/quantity/timing/placement and choice of media, and market areas and advertising

agencies, the System standards and specifications established by Franchisor shall be final and binding upon Franchisee. Franchisor may also request that Franchisee purchase and/or make copies of (and Franchisee's expense) and subsequently use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Business.

B. **Approval for all Advertising/Promotional Materials**. All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and shall conform to Franchisor's standards and requirements as set forth in the Manuals or otherwise. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials twenty (20) days prior to use if such plans and materials have not been prepared by Franchisor or previously approved by Franchisor during the twelve (12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have fifteen (15) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this fifteen (15) day period, the proposed materials will be deemed rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Once approved, Franchisee may use the proposed materials for a period of twelve (12) months, unless Franchisor prescribes a different time period for use or requires Franchisee to discontinue using the previously-approved materials in writing. Franchisor may revoke its approval of any previously-approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee, including, but not limited to, the phrase "Franchises Available" and references to Franchisor's telephone number and/or website.

C. **Grand Opening Event/Launch Marketing**. During the initial month of operating the Franchised Business, Franchisee must spend at least Two Thousand Five-Hundred Dollars ($2,500) on local advertisement and promotion of the grand opening of the Franchised Business ("Grand Opening Marketing"), in accordance with a marketing plan that Franchisor approves prior to or around the time of opening. Prior to the opening of the Franchised Business, Franchisor will designate the exact minimum that Franchisee must expend within this initial month, which will typically be based on the size and demographics of the Designated Territory. Prior to their use, all Grand Opening Marketing materials must be approved by Franchisor. Franchisor will have the right to approve and/or designate the type of expenditures that are made as part of Franchisee's Grand Opening Marketing.

D. **Digital and Local Advertising Requirement.** Franchisee shall comply with the following requirements in regard to digital and local advertising:

1. Commencing in the first month following Franchisee's opening of the Franchised Business, Franchisee must expend an amount equal to Three Thousand Dollars ($3,000) per month on advertising, including digital advertising, and promoting the Franchised Business in the Designated Territory in accordance with an advertising/marketing plan that Franchisor approves (the "Digital and Local Advertising Requirement"). Notwithstanding the foregoing, if Franchisor determines in its sole discretion that Franchisee operates in a seasonal market, Franchisor reserves the right to suspend the Digital and Local Advertising Requirement during such off-season months as Franchisor designates.

2. Franchisor reserves the right to require payment for the Digital and Local Advertising Requirement be paid directly to Franchisor through which Franchisor will submit payment to a third-party advertiser to manage and maintain digital and local advertising for Franchisee's Franchised Business.

3. Franchisor may require Franchisee to prepare an initial comprehensive local advertising plan and program prior to opening the Franchise Business that details Franchisee's budget and anticipated expenditures for the Digital and Local Advertising Requirement for the Franchised Business's first year of operations, which must be approved by Franchisor prior to opening. Franchisor may further require that Franchisee submit an annual Digital and Local Advertising Requirement plan or program for each subsequent year of the Franchised Business's operation on or before the beginning of the Franchised Business's fiscal year that must be approved by Franchisor prior to implementation. Franchisor may from time to time provide to Franchisee, at Franchisee's expense, such approved advertising and promotional plans and materials as Franchisor deems advisable. Franchisor may, as it deems necessary in its sole discretion, provide general guidelines for conducting local advertising so as to better assist Franchisee. Within thirty (30) days after the end of each month, Franchisee shall furnish to Franchisor an accurate accounting of the expenditures on digital and local advertising for the preceding month.

4. Franchisee must ensure that: (i) the Franchised Business has a dedicated phone line for use in connection with the Franchised Business only; and (ii) the Franchised Business is listed in the appropriate Internet-based directories and any other directories that Franchisor designates.

5. Franchisee may not advertise and promote the Franchised Business outside of the Designated Territory, unless Franchisor provides its prior consent in writing.

E. **Brand Development Fund Contribution**. Franchisor has established a Fund for certain marketing and technology associated with the System. Franchisee is required to pay Franchisor's then-current Fund Contribution, which shall be no greater than Three Percent (3%), of the Gross Sales of the Franchised Business from the preceding month. Franchisor may modify these Fund contribution requirements upon thirty (30) days written notice to the Franchisee. The Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

1. Franchisor will use the Fund and all contributions to it and any earnings therefrom exclusively for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, and any other activities, that Franchisor believes would enhance the image of the System, Proprietary Marks, and Approved Products or Approved Services.

2. Franchisor is not obligated to spend monies from the Fund in any particular franchisee's market in proportion to the payments to the Fund made by the franchisee in that market. Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.

3. The Fund may be used to meet any and all costs of maintaining, administering, directing, and preparing advertising, as well as other costs related to brand development. This includes, among other things, direct mail advertising, marketing surveys and other public relations activities, developing and maintaining the Franchisor's Website, employing advertising and public relations agencies, purchasing promotional items, and providing other marketing materials and services to the Franchised Businesses operating under the System. These costs may include the proportionate salary share of Franchisor's employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs, salaries, and overhead expenses related to administering the Fund and its programs. No part of the Fund shall be used by Franchisor to defray any of its general operating expenses, other than those reasonably allocable to the advertising described in this Section or other activities reasonably related to the administration or direction of the Fund.

4. Franchisor shall administratively segregate all contributions to the Fund on its books and records. All such payments to the Fund may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds, and may be deemed an asset of Franchisor, subject to Franchisor's obligation to expend the monies in the Fund in accordance with the terms hereof. Franchisor may, in its sole discretion, elect to accumulate monies in the Fund for such periods of time, as it deems necessary or appropriate, with no obligation to expend all monies received in any fiscal year during that fiscal year. In the event Franchisor's expenditures for the Fund in any fiscal year shall exceed the total amount contributed to the Fund during such fiscal year, Franchisor shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Fund or to use such excess as a credit against its future contributions. The parties do not intend that the Fund be deemed a trust.

5. Franchisor will, on an annual basis, account for the operation of the Fund and prepare an unaudited financial statement evidencing such accounting that will be available to Franchisee, upon Franchisee's written request, one hundred twenty (120) days after the Franchisor's fiscal year end.

6. Franchisor may dissolve, suspend, modify and/or reinstate the Fund at any time after it is established.

F. **Advertising Council**. Franchisor may establish, if and when it deems appropriate in its sole discretion, a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). If Franchisor establishes an Advertising Counsel, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned businesses, or other management/employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by Franchisor. The recommendations of the Advertising Council shall not be binding on Franchisor.

G. **Website**. Franchisor may establish an interior page on its corporate website to display the contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) Franchisee is not in default of this Agreement. If Franchisor creates and includes any information about Franchisee on a

website, then Franchisor may require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System or Proprietary Marks without Franchisor's prior written consent. If approved to establish a separate website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, without Franchisor's prior written consent. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate. Franchisee must follow Franchisor's social media policies and directives as set forth in the Manuals.

H. **Cooperatives**. Franchisor may establish regional advertising cooperatives that are comprised of multiple Franchised Business owners located within a geographical region that Franchisor designates (each, a "Cooperative"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisee may be required to contribute to the Cooperative in a weekly or monthly specified amount. All amounts paid to a Cooperative will be credited towards Franchisee's Digital and Local Advertising Requirement and will not exceed the Digital and Local Advertising Requirement unless approved by a majority of franchisees in the Cooperative. Franchisor may specify the governing rules, terms and operating procedures of any Cooperative.

10. ACCOUNTING AND RECORDS

A. **Maintenance of Records**. Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete register tapes, computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for the duration of this Agreement and for a period of at least five (5) years thereafter. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 shall belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).

B. **Examination and Audit of Records**. Franchisor and its designated agents shall have the right to examine and audit Franchisee's records, accounts, books, computer files and data, including the any proprietary software used in connection with the System, at all reasonable times to ensure that Franchisee is complying with the terms of this Agreement. If such audit discloses that Franchisee has underreported the Gross Sales of the Franchised

Business (or any amount due to Franchisor) by Two Percent (2%) or more in any given reporting period, then Franchisee must: (i) reimburse Franchisor any costs/expenses incurred in connection with conducting the inspection and audit; and (ii) immediately pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts.

C. **Computer System for Records**. Franchisee shall record all transactions of the Franchised Business on a Computer System designated or approved by Franchisor. Franchisor will, at all times and without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System as described in Section 4(C) of this Agreement.

D. **Computer System Files and Passwords**. Franchisee shall not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Business without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement. Consistent with the other provisions of this Agreement, Franchisee agrees and acknowledges that Franchisor may have automatic access to Franchisee's specific passwords/keys/logins through the Computer System components and related software that Franchisor requires Franchisee to use in connection with the Franchised Business.

E. **Current Contracts, Listings and Projects**. At any time and upon request of Franchisor, Franchisee shall provide Franchisor with a copy or summary listing, at Franchisor's discretion, of all current contracts, listings, agreements, and projects related to Clients and/or properties that Franchisee is involved in or working with.

F. **Tax Returns**. Upon Franchisor's request, Franchisee shall furnish the Franchisor with a copy of each of its reports, returns of sales, use and gross receipt taxes, and complete copies of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee shall certify as true and correct.

G. **Change to Ownership of Franchisee**. In addition to the foregoing statements, Franchisee must provide Franchisor with written reports regarding any authorized change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Business; and (ii) Franchisee's partners, officers, directors, as well as any of the Designated Manager(s) that manage the day-to-day operations of the Franchised Business. Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisor is required to first notify Franchisor and obtain its approval prior to making any such change in accordance with Section 13 below.

11. INSURANCE

A. **Required Insurance**. Franchisee shall, at its own expense and prior to commencing operations, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Manuals or otherwise by Franchisor in writing. This insurance shall be in such amounts, coverages, and limits Franchisor

designates from time to time. Franchisee shall also be required to obtain any insurance that may be required by applicable law. Franchisor may supplement, update and/or otherwise modify the insurance requirements upon written notice via the Manuals or otherwise.

Franchisee must buy insurance only from carriers rated A or better by A.M. Best, unless Franchisor designates specific carriers from which Franchisee must purchase coverage (in which case Franchisee may only purchase from the designated carrier(s)). Franchisor may periodically modify the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies Franchisee purchases must name Franchisor and any other party that Franchisor designates as additional insureds and provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification or cancellation. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee shall promptly deliver certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor. The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

B. **Failure to Procure and Maintain Insurance**. If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must: (i) reimburse Franchisor for the costs incurred to obtain the required insurance (including any premium amounts paid); and (ii) pay Franchisor its then-current administrative fee, as may be reasonably charged by Franchisor as consideration for securing the required insurance on Franchisee's behalf.

12. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. **No Fiduciary Relationship**. In all dealings with third parties, including without limitation, employees, suppliers, and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto either to create a fiduciary relationship between them or to constitute the Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever.

B. **Independent Contractor Relationship**. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor.

C. **Indemnification**.

1. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's directors, officers, principals/owners, managers, shareholders, affiliates (including any affiliate supplier), subsidiaries, employees, servants, agents, successors and assignees (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or

character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement, and/or (b) ownership, construction, development, management, or operation of the Franchised Business in any manner. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

2. Franchisee will be solely responsible for storing and preparing Required Items and/or Approved Products for use in connection with providing the Approved Services once those products are delivered to Franchisee. Franchisor will not be responsible or liable in connection with any claims involving how such items or products are prepared and/or used by Franchisee once they are delivered to Franchisee. Franchisee must indemnify and hold Franchisor (and/or its designated supplier) harmless in connection with any third-party claims or damages arising out of or related to claims involving how such products are prepared and/or used by Franchisee once they are delivered to Franchisee.

13. TRANSFER AND ASSIGNMENT

A. **No Transfer by Franchisee Without Franchisor's Approval**. Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Business (or undertake any of the actions identified in Section 13(C) of this Agreement) without Franchisor's prior written consent. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

B. **Death or Disability**.

1. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's principals/owners/guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the operation of the Franchised Business as "Franchisee" under this Agreement if: (i) within ninety (90) days from the date of death, disability or incapacity (the "90 Day Period"), such person has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company Franchisee's obligations to Franchisor and Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Franchisor.

2. Franchisor is under no obligation to operate the Franchised Business or incur any obligation on behalf of any incapacitated franchisee, during or after the 90 Day Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously approved acting interim manager to operate the Franchised Business during the 90 Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate the Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

3. Franchisor will not collect any transfer fee if there is a transfer under this Section 13(B) to an immediate family member of Franchisee that Franchisor approves pursuant to Section 13(E).

C. **Ownership.** In addition to those acts described in Section 13(A), a transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's ownership shares/stock or any increase in the number of outstanding shares/stock of Franchisee's ownership/membership units that results in a change of ownership; (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company. Any new partner, shareholder, or member or manager owning having an ownership interest in the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to this Section shall not be subject to Franchisor's right of first refusal as set forth in Section 13(D) so long as there is no change in control (ownership or otherwise) with respect to Franchisee.

D. **Right of First Refusal.** If (a) Franchisee proposes to transfer any of its interest in this Agreement or the Franchised Business or any interest in its lease for the Premises, or (b) Franchisee's owners propose to transfer any interest in Franchisee if Franchisee is an entity (other than a corporation or limited liability company as set forth in Section 13(C) hereof or in the event of Franchisee's death/disability as set forth in Section 13(B)), then Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval

set forth in Section 13(E) of this Agreement. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

E. **Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement or any other acts of transfer described in Section 13(C) upon satisfaction of the following occurrences:

1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;

2. Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee or Franchisee's affiliates and Franchisor, Franchisor's affiliates, Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

3. Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities;

4. Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of Franchisee's obligations under this Agreement;

5. The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor, except that the transferee may be an existing franchisee of ours;

6. The transferee shall execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining balance of Franchisee's term under this Agreement, with transferee's term commencing on the date the transferee executes the then-current franchise agreement;

7. Franchisee or transferee shall pay Franchisor a transfer fee equal to Ten Thousand Dollars ($10,000), except as otherwise provided in this Section 13.

8. The transferee shall satisfactorily complete Franchisor's Initial Training Program within the time frame Franchisor sets forth without paying an additional tuition fee, but the transferee will be responsible for all costs and expenses associated with attending the Initial Training Program;

9. Franchisee (and Franchisee's principals/guarantors if Franchisee is a partnership, corporation or limited liability company) must comply with the post-termination provisions of this Agreement;

10. The transferee must demonstrate that is has obtained or maintained, within the time limits set by Franchisor, all permits and licenses required for the continued operation of the Franchised Business;

11. To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer; and

12. The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises.

Franchisor will not unreasonably withhold its consent to a proposed transfer or assignment requested by Franchisee, provided the foregoing conditions are met. Franchisor's approval of a transfer shall not operate as a release of any liability of the transferring party nor shall such approval constitute a waiver of any claims Franchisor may have against the transferring party. Furthermore, Franchisor agrees that Franchisee will not be required to pay any transfer fee in the event: (i) Franchisee wishes to transfer its rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by Franchisee and established solely for purposes of operating the Franchised Business under the Franchise Agreement; or (ii) Franchisee is required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest thereto) in order to receive SBA or other traditional bank financing, provided Franchisor otherwise approves of the transfer.

F. **Transfer from an Individual Franchisee to Business Entity**. If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee set forth in Section 13(E), and such assignment will not be subject to Franchisor's right of first refusal in Section 13(D): (i) the corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business; (ii) the entity at issue is wholly owned by Franchisee (and no other party); (iii) the corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and (iv) all stockholders of the corporation, or members and managers of the limited liability company, and their respective spouses, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and execute the Personal Guaranty attached to this Agreement as Exhibit B.

G. **Franchisor's Right to Transfer**. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

14. COVENANTS

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Franchisee agrees to the covenants in this Section to protect Franchisor, the System, the Proprietary Marks and Franchisor's other franchisees.

A. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee, its principals, owners, guarantors or Designated Manager, nor any immediate family of Franchisee, its principals, owners, guarantors or Designated Manager, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with, any other business that (a) offers, sells or provides the sale and/or installation of any pool safety products or other related products or services that are offered or provided by the Franchised Business and/or other System franchisees (each, a "Competing Business"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include: (i) any business operated under a Franchise Agreement with Franchisor; or (ii) any business operated by a publicly-traded entity in which the applicable person or entity owns less than two percent (2%) legal or beneficial interest;

2. Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

3. Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

B. **After the Term of this Agreement.**

1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

2. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

   a. Own, maintain, engage in, be employed as an officer, director, manager or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:
      i. within the Designated Territory;
      ii. within a twenty-five (25) mile radius of the Designated Territory;
      iii. within a twenty-five (25) mile radius of the designated territory of any other System franchisee; or

   b. Solicit business from Clients or prospective Clients of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose, nor solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

C. **Intent and Enforcement**. It is the parties' intent that the provisions of this Section 14 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14 by Franchisee, any of Franchisee's principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 14 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation on the restrictive covenants set forth in Section 14(B) shall be tolled during any default under this Section 14.

D. **Confidentiality and Restrictive Covenant Agreement**. Franchisee must ensure that all management personnel of the Franchised Business, as well as any officers and directors of Franchisee, execute Franchisor's then-current form of Confidentiality and Restrictive Covenant Agreement (which will be in substantially the same form as Exhibit D to this Agreement). Franchisee must furnish Franchisor a copy of each executed agreement.

E. **No Defense**. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a

defense to Franchisor's enforcement of the covenants contained in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 14.

15. DEFAULT AND TERMINATION

Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), shall constitute "good cause" and "reasonable cause" for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Business.

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

1. The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

2. A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;

3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with the Franchisee or Franchised Business (or assets of the Franchised Business) is filed and consented to by Franchisee;

4. A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;

5. A final judgment in excess of Ten Thousand Dollars ($10,000) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or

6. Franchisee attempts to sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13 hereof.

B. **Termination upon Notice**. Franchisor has the right to terminate this Agreement upon written notice to Franchisee without providing Franchisee any opportunity to cure with respect to any of the following breaches or defaults:

1. If Franchisee or Franchisee's owners/principals commit any fraud or misrepresentation in the establishment or operation of the Franchised Business, including without limitation, any misrepresentation made in Franchisee's franchise application;

2. If Franchisee and any other required attendees fail to attend and complete the Initial Training Program;

3. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations set forth in Section 15(C) of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured;

4. If Franchisee or Franchisee's owners/principals violate the in-term covenant not to compete or any of the other restrictive covenants set forth in Section 14 of this Agreement;

5. If Franchisee misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);

6. If Franchisee misuses the any proprietary software that Franchisor designates for use in connection with the Franchised Business in a competitive or other manner that constitutes misappropriation of said intellectual property or license;

7. If Franchisee or any of Franchisee's principals or affiliates default on any other agreement with Franchisor or any affiliate or Approved Supplier of Franchisor, and such default is not cured within the prescribed time period set forth in that other agreement;

8. If Franchisee loses its right to possess and control the Approved Location to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);

9. If Franchisee fails to open and commence operations of the Franchised Business within the time period prescribed in Section 6(B) of this Agreement;

10. If Franchisee fails to cure any of the following violations under this Agreement within ten (10) days of being notified by Franchisor: (i) failure to offer only those Approved Products and/or Approved Services that Franchisor authorizes at the Franchised Business; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; or (iii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates;

11. If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;

12. If Franchisee fails to provide Franchisor with access, or otherwise blocks Franchisor's access, to Franchisee's Computer System or Franchised Business as

required under this Agreement, and fails to remedy this default within twenty-four (24) hours of being notified by Franchisor;

13. If Franchisee fails to pay Franchisor, its affiliates, any of its Approved Suppliers or any amount that is due and owing that party within ten (10) days of the date that Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed;

14. If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business;

15. If Franchisee fails, for a period of ten (10) days after notification of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to operate the Franchised Business at the Premises;

16. If Franchisee, any person controlling, controlled by, or under common control with the Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchise is convicted of a felony or any other crime or offense (even if not a crime) or engages in other conduct that is reasonably likely in the reasonable opinion of Franchisor to adversely affect the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;

17. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including inventory, employee taxes, FICA, insurance or benefits;

18. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement three (3) or more times within any twelve (12) month period;

19. If Franchisee operates the business in a manner that presents a health or safety hazard to its employees or customers or commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice;

20. If Franchisee fails to achieve the Minimum Gross Sales for two (2) consecutive twelve (12) month periods; or

21. If Franchisee, on three (3) or more occasions, fails to comply with the standards and specifications set forth in the Manuals during any eighteen (18) month period, whether or not these failures were timely cured.

C. **Termination upon Notice and 30 Days' Cure**. Except for those defaults set forth in Sections 15(A)-(B) of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's System standards and specifications as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

16. POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

A. **Cease Ownership and Operation of Franchised Business; Cease Affiliate with Franchisor and Brand Generally**. Cease to be a franchise owner of the Franchised Business under this Agreement and cease to operate the former Franchised Business under the System. If this Agreement is terminated for cause by Franchisor, then Franchisee shall not thereafter directly or indirectly represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold itself out as a present or former franchise owner of a Franchised Business (unless Franchisor agrees otherwise in writing).

B. **Return Manuals and Confidential Information**.

1. Return to Franchisor the Manuals and all trade secrets, Confidential Information (including all Client lists and Approved Services agreements) and other confidential materials, equipment, software and property owned by Franchisor and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law; and

2. Pay any outstanding amounts due to Franchisor, its affiliates, or any Approved Supplier within thirty (30) days of the date this Agreement is terminated or expires.

C. **Assignment of Approved Services Contracts, Telephone Numbers, Domain Names and/or Social Media/Network Handles.** Take such action that Franchisor designates to: (i) provide and assign to Franchisor the then-current and up-to-date (a) Client and property lists, and (b) any contracts and other agreements between Clients and the former Franchised Business; and (ii) transfer, disconnect, forward, or assign all telephone numbers, domain names, social media accounts and/or handles used in connection with the Franchised Business, as well as any telephone directory listings, advertisements, and all trade and similar name registrations and business licenses, to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form of Conditional Assignment of Telephone Numbers and Domain Names attached to this Agreement as Exhibit E.

D. **Cease Using Proprietary Marks**. Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest, and cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System. Franchisee must also immediately remove all Proprietary Marks, trade dress, and any other identifying characteristics or color schemes associated with the System from the Approved Location and from the Approved Vehicles (and provide documentation thereof to Franchisor as set forth in Section 16(G) below). Upon Franchisor's request, Franchisee must provide all materials bearing the Proprietary Marks to Franchisor upon expiration or termination of this Agreement for any reason, without cost to Franchisor.

E. **Compliance with Post-Term Covenants**. Comply with the post-term covenants not to compete and other restrictive covenants set forth in Section 14 of this Agreement.

F. **Payment of Amounts Due**. Pay Franchisor, its affiliates, as well as each of Franchisor's Approved Suppliers, any and all amounts owed under this Agreement or otherwise in connection with the former Franchised Business.

G. **Written Evidence of Compliance**. Provide Franchisor with written evidence that Franchisee has complied with the post-term obligations set forth herein, within thirty (30) days' notice of termination or scheduled expiration of the franchise.

H. **Purchase of Assets**. Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination or expiration and non-renewal of this Agreement to purchase any and all of Franchisee's operating assets from the Franchised Business at a purchase price equal to net depreciated book value, including all unused inventory. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment and inventory at any time during this thirty (30) day period. If Franchisor elects to purchase equipment and inventory as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

I. **Disconnection of Telephone Number on Termination/Renewal**. Franchisee acknowledges that there will be substantial confusion among the public if, after the termination or expiration and non-renewal of this Agreement, Franchisee continues to use advertisements and/or the telephone number listed in the telephone directory under the name A SAFE POOL or any name similar to it. Thus, effective upon the termination or expiration and non-renewal of this Agreement, Franchisee agrees, if necessary, to direct the telephone company servicing Franchisee, per Franchisor's request, to disconnect the telephone number used in connection with the Franchised Business or transfer such number to Franchisor or to any person or location of Franchisor's choosing. If Franchisee fails to take these steps, Franchisee shall be deemed to have hereby irrevocably appointed Franchisor as Franchisee's attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company or yellow pages directory company, Franchisor will be deemed for purposes hereof to be the subscriber of such telephone numbers, with full authority to instruct the applicable telephone or yellow pages directory company as to the use and disposition of telephone listings and numbers. Franchisee hereby agrees to release, indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor's instructions.

17. TAXES AND INDEBTEDNESS

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

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

18. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

A. **Franchisor's Approval**. Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee shall make a timely written request. Unless a different period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond shall be deemed as a disapproval of any such request.

B. **No Waiver**. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.

C. **Terms of Other Franchise Agreements**. No warranty or representation is made by the Franchisor that all System franchise agreements heretofore or hereafter issued by Franchisor in connection with a Franchised Business do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other System franchise owners in a non-uniform manner.

D. **Modification of System and Manuals**. Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement shall be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.

E. **No Disclaimers of Franchise Disclosure Document**. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor has made in the franchise disclosure document.

19. ENFORCEMENT

A. **No Withholding of Payments**. Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.

B. **Costs and Attorneys' Fees**. If Franchisee is in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must reimburse Franchisor for all costs/expenses incurred in connection with

enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and litigation expenses. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

C. **Personal Guaranty.** If Franchisee is a corporation, or subsequent to execution hereof, Franchisee assigns this Agreement to a corporation, all shareholders and their spouses (or if Franchisee is a partnership, or subsequent to execution hereof, Franchisee assigns this Agreement to a partnership, all partners and their spouses, or if Franchisee is a limited liability company, or subsequent to execution hereof Franchisee assigns this Agreement to a limited liability company, all members and managers and their spouses) hereby personally and unconditionally guarantee without notice, demand or presentment, the payment of all of Franchisee's monetary obligations under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All such personal guarantors further agree to be bound by the restrictions upon Franchisee's activities upon transfer, termination or expiration and nonrenewal of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such personal guarantors and their spouses must execute a continuing personal guaranty in the form attached hereto as Exhibit B, and if Franchisee is an individual, Franchisee's spouse must execute a continuing personal guaranty in the form attached hereto as Exhibit B.

20. NOTICES

Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor:	A Safe Pool Franchising, LLC Attn: Jason Howard 10115 E. Bell Road, Suite 107-626 Scottsdale, AZ 85260
With a copy to:	Fisher Zucker, LLC Attn: Lane Fisher 21 South 21st Street Philadelphia, PA 19103
To Franchisee:	_____ _____ _____

Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such

notice shall be sent to such other address. Franchisor may also provide notice to Franchisee via email, and such notice shall be valid only where Franchisee replies with an email confirming receipt.

21. GOVERNING LAW AND DISPUTE RESOLUTION

A. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, without reference to this state's conflict of laws principles, except for any actions or disputes involving any franchise or business opportunity law that must be governed by the law of the state where the Franchised Business is located.

B. **Internal Dispute Resolution**. The parties have reached this Agreement in good faith and with the belief that it is advantageous to each of them. In recognition of the strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably, without litigation or arbitration. Accordingly, Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's President and/or Chief Executive Officer, after providing notice as set forth in Section 20 of this Agreement, and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

C. **Mediation**. Other than an Excluded Claim brought by Franchisor or a Franchisor Related Party (as defined herein), and with the exception of injunctive relief or specific performance actions, before the filing of any arbitration or legal action, Franchisee and Franchisor agree to mediate any dispute, controversy or claim between Franchisor and/or any of Franchisor's affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisor Related Party"), on the one hand, and Franchisee and/or any of Franchisee's affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisee Related Party"), including without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the parties' relationship; or (c) the events occurring prior to the entry into this Agreement. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement. This agreement to first attempt resolution of disputes internally and through mediation shall survive termination or expiration of this Agreement.

Mediation will be non-binding and confidential and will be conducted in Scottsdale, Arizona (or, if Franchisor's corporate headquarters is no longer in Scottsdale, Arizona, the county where Franchisor's corporate headquarters is then-located). Persons authorized to settle the dispute must attend each mediation session in person. The party seeking mediation (the "Initiating Party") must commence mediation by sending the other party/parties a written notice of its request for mediation (the "Mediation Notice"). The Mediation Notice must specify, to the fullest extent possible, the nature of the dispute, the Initiating Party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other such relief such party claims, and must identify one or more persons with authority to settle the dispute for the Initiating Party. Upon receipt of the Mediation Notice, the parties will endeavor, in good faith, to resolve the dispute outlined in the Mediation Notice. If the parties have been unable to resolve any such dispute

within thirty (30) days after the date the Mediation Notice is provided by the Initiating Party to the other party, either party may initiate a mediation procedure in accordance with this provision. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible, within sixty (60) days of the notice from the party seeking to initiate the mediation procedures. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section.

The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible. The mediation may be concluded: (a) by the signing of a settlement agreement by the parties; (b) by the mediator's declaration that the mediation is terminated; or (c) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

The fees and expenses of the mediator shall be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert, or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual, or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view, or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view, or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in the mediation.

D. **Arbitration**. With the exception of "Excluded Claims" (as defined below), and if not resolved by the negotiation and mediation procedures set forth in Sections 21(B) and 21(C) above, any dispute, controversy or claim between Franchisee and/or any Franchisee Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, including, without limitation, any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement, (b) the parties' relationship, (c) the events leading up to the entry into this Agreement, (d) the Designated Territory, (e) the scope or validity of the arbitration obligation under this Agreement, (f) any System standard; and/or (g) any claim based in tort or any theory of negligence, shall be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures.

Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action, associational claim, or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to

arbitrate shall become null and void and the parties shall submit all claims to the jurisdiction of the courts.

The arbitration must take place in Scottsdale, Arizona (or, if Franchisor's corporate headquarters is no longer in Scottsdale, Arizona, the county where Franchisor's corporate headquarters is then-located). The arbitration will be heard before one arbitrator, and the parties will share the costs of the arbitrator and bear their own expenses in connection with the arbitration. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least five (5) years of significant experience in franchise law. Any issue as to whether a matter is subject to arbitration will be determined by the arbitrator. A judgment may be entered upon the arbitration award by any state or federal court in Scottsdale, Arizona.

In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be forever barred. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; (3) certify a class or a consolidated action; or (4) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that Franchisor sets. The arbitrator shall have the right to make a determination as to any procedural matters that a court of competent jurisdiction would be permitted to make in the state in which Franchisor's main office is located.

The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

The arbitrator shall have subpoena powers limited only by the laws of the State of Arizona. The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness in order to minimize the time and expense of arbitration. The parties to the dispute shall otherwise have the same discovery rights as are available in civil actions under the laws of the State of Arizona. All other procedural matters shall be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in the State of Arizona.

Other than as may be required by law, the entire arbitration proceedings (including, without limitation, any rulings, decisions or orders of the arbitrator), shall remain confidential and shall not be disclosed to anyone other than the parties to this Agreement.

The judgment of the arbitrator on any preliminary or final arbitration award shall be final and binding and may be entered in any court having jurisdiction.

Franchisor reserves the right, but has no obligation, to advance Franchisee's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished Franchisor's right to seek recovery of those costs against Franchisee.

©2024 A Safe Pool Franchising, LLC

Exceptions to Mediation and/or Arbitration (the "Excluded Claims")

Notwithstanding Section 21(C) or 21(D), the parties agree that the following claims will not be subject to internal dispute resolution, mediation, or arbitration:

(a) any action for injunctive relief pursuant to Section 21(E) below; or

(b) any claim by Franchisor and/or any Franchisor Related Party: (a) relating to Franchisee's failure to pay any fee due to Franchisor and/or its affiliates under this Agreement or any other agreement; (b) relating to Franchisee's or any Franchisee Related Party's failure to comply with the confidentiality and non-competition covenants set forth in this Agreement; (c) relating to Franchisee's indemnification obligations under this Agreement; and/or (d) relating to Franchisee's use of the Proprietary Marks and/or the System, including, without limitation, claims for violations of the Lanham Act.

E. **Injunctive Relief**. Notwithstanding the foregoing, Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations upon termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's System or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

F. **Venue**. Subject to this Section 21 and Franchisor's right to obtain injunctive relief in any court of competent jurisdiction, the parties hereby expressly agree that the United States District Court for the District of Arizona (or, if Franchisor's corporate headquarters is no longer in Scottsdale, Arizona, the applicable District Court where Franchisor's corporate headquarters is then-located), or if such court lacks subject matter jurisdiction, the applicable state court located in Scottsdale, Arizona (or, if Franchisor's corporate headquarters is no longer in Scottsdale, Arizona, the county where Franchisor's corporate headquarters is then-located), shall be the exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of or related to, either directly or indirectly, this Agreement, ancillary agreements, or the business relationship between the parties. The parties further agree that, in the event of such litigation, they will not contest or challenge the jurisdiction or venue of these courts. Franchisee acknowledges and agrees that this Agreement has been entered into in the State of Arizona and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for the purposes of carrying out this provision. Franchisee

acknowledges and agrees that this location for venue is reasonable and the most beneficial to the needs of and best meets the interest of all of the members of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the designated venue as set forth in this Section.

G. **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, owners, members, managers, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section 21, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.

H. **Notice Requirement**. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

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

J. **Limitation of Actions**. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

K. **Waiver of Punitive Damages**. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

L. **WAIVER OF JURY TRIAL**. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT

LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, THE OEPRATION OF THE FRANCHISED BUSINESS, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

M. **WAIVER OF CLASS ACTIONS**. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR OPERATION OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE OR ITS AFFILIATES/PRINCIPALS/GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/PRINCIPALS/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR OR ITS AFFILIATES/PRINCIPALS/OFFICERS/EMPLOYEES AND ANY OTHER THIRD PARTY.

22. SEVERABILITY AND CONSTRUCTION

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

B. This Agreement may be executed in any number of counterparts, which may include PDF or comparable electronically-signed pages, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute the same instrument.

C. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement shall be construed independently of any other Section or provision of this Agreement.

23. ACKNOWLEDGMENTS

A. Franchisee acknowledges that it received a complete copy of this Agreement and Franchisor's franchise disclosure document ("FDD") for a period not less than fourteen (14) calendar days, during which time Franchisee conducted an independent investigation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, that Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits, or success. Franchisee acknowledges that this Agreement, the FDD, and the exhibits hereto constitute the entire agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter.

B. Franchisee agrees and acknowledges that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

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

FRANCHISOR:	**FRANCHISEE:**
A SAFE POOL FRANCHISING, LLC	_____
By: _____ Jason Howard, CEO	By: _____
Date: _____	Print Name: _____
	Title: _____
	Date: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

1. APPROVED LOCATION

The Franchised Business shall be located at the following approved Approved Location:

_____

_____

2. DESIGNATED TERRITORY

Franchisee's Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

_____

_____

_____

3. Franchisee Contact Person. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: _____

Telephone No.: _____

E-mail Address: _____

4. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

Name	Position/Title	Interest (%)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

THE PARTIES SIGNING THIS DATA SHEET BELOW AGREE AND ACKNOWLEDGE THAT THIS DATA SHEET, BY ITSELF, DOES NOT CONSTITUTE A FRANCHISE AGREEMENT OR OTHERWISE CONFER ANY FRANCHISE RIGHTS UPON FRANCHISEE. THIS DATA SHEET

©2024 A Safe Pool Franchising, LLC

PROVIDES CERTAIN DEAL-SPECIFIC INFORMATION IN CONNECTION WITH THE FRANCHISE THAT IS GOVERNED BY THE FRANCHISE AGREEMENT TO WHICH THIS DATA SHEET IS AN EXHIBIT.

THE PARTIES AGREE AND ACKNOWLEDGE THAT THE FOREGOING FRANCHISE AGREEMENT MUST BE EXECUTED PRIOR TO OR CONTEMPORANEOUS WITH THIS DATA SHEET FOR ANY RIGHTS TO BE CONFERRED.

IN WITNESS WHEREOF, the undersigned have duly executed this Exhibit to the Franchise Agreement on this _____.

FRANCHISEE

_____

By: _____

Name:_____

Title:_____

FRANCHISOR

A SAFE POOL FRANCHISING, LLC

By: _____
Jason Howard

©2024 A Safe Pool Franchising, LLC

EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/ PARTNERS/ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

ARTICLE I
PERSONAL GUARANTY

The undersigned persons (individually and collectively "you") hereby represent A Safe Pool Franchising, LLC (the "Franchisor") that you are all the owners of any interest in _____ (the "Franchisee"), as well as their respective spouses (or, if Franchisee is an individual(s), the spouse of any individual Franchisee), as of the date this Personal Guaranty (the "Personal Guaranty" or "Guaranty") is executed.

In consideration of the grant by Franchisor to the Franchisee as herein provided, each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement; and (v) the dispute resolution provisions set forth in the Franchise Agreement.

ARTICLE II
GENERAL TERMS

1. **Acknowledgment**. You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

2. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Guaranty and the mediation, arbitration and other dispute resolution provisions set forth in the Franchise Agreement and incorporated herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.

3. **JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES**

HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS GUARANTY OR THE FRANCHISE AGREEMENT. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS GUARANTY OR THE FRANCHISE AGREEMENT WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

4. **Limitation of Action.** You further agree that no cause of action arising out of or under this Guaranty may be maintained by you unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

5. **Punitive Damages.** You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

6. **Costs and Attorneys' Fees.** Whether or not formal legal proceedings are initiated, in the event Franchisor incurs any legal fees or other costs associated with enforcing the terms of this Guaranty or the Franchise Agreement against you, then Franchisor will be entitled to recover from you all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Guaranty or the Franchise Agreement.

7. **No Waiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Your election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

8. **No Personal Liability.** You agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole responsibility and none of Franchisor's owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to you for any reason. This is an important part of this Guaranty. You agree that nothing that you believe you have been told by us or our representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty.

9. **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the

parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

10. **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

11. **Successors.** References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty on the date stated on the first page hereof.

PERSONAL GUARANTORS

_____	_____
[Insert Signature of Guarantor]	[Insert Signature of Spouse]
_____	_____
[Insert Signature of Guarantor]	[Insert Signature of Spouse]

©2024 A Safe Pool Franchising, LLC

EXHIBIT C TO THE FRANCHISE AGREEMENT

EFT AUTHORIZATION FORM

Bank Name: _____
ABA# : _____
Acct. No.: _____
Acct. Name: _____

Effective as of the date of the signature below, _____ (the "Franchisee") hereby authorizes A Safe Pool Franchising, LLC (the "Franchisor") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Franchisor or its affiliates under the franchise agreement dated _____(the "Franchise Agreement") for the franchised business operated within the following territory: _____ (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions; (iii) any amounts due and owing the Franchisor or its affiliates in connection with technology, marketing materials or other supplies or inventory that is provided by Franchisor or its affiliates; and (iv) all other fees and amounts due and owing to Franchisor or its affiliates under the Franchise Agreement or any other agreement. Franchisee acknowledges each of the fees described above may be collected by the Franchisor (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a monthly basis, or on such other schedule as Company shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Company. Franchisee shall provide Franchisor, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

FRANCHISEE

By: _____

Print Name: _____

Title: _____

FRANCHISOR APPROVAL

A SAFE POOL FRANCHISING, LLC

By: _____
Jason Howard

Please attach a voided blank check (if required), for purposes of setting up Bank and Transit Numbers.

©2024 A Safe Pool Franchising, LLC

EXHIBIT D TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT
(for trained employees, officers, directors, general partners, members, Designated Managers, Authorized Coaches, and any other management personnel of Franchisee that has not signed a Personal Guaranty)

In consideration of my being a _____ of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from A Safe Pool Franchising, LLC (the "Franchisor") to: (i) establish and operate a franchised business (the "Franchised Business"); and (ii) use in the operation of the Franchised Business the Franchisor's trade names, trademarks and service marks (collectively, the "Proprietary Marks") and the Franchisor's unique and distinctive format and system relating to the establishment and operation of an A Safe Pool Franchised Business (the "System"), as they may be changed, improved and further developed from time to time in Franchisor's sole discretion, within the following territory: _____ (the "Territory").

1. Franchisor possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Franchisor's proprietary and confidential Operations Manual and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the "Manuals"); Franchisor's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials; trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business, including customers of other businesses utilizing the Proprietary Marks and System; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Business; and any techniques, methods and know-how related to the operation of a System business or otherwise used in connection with the System, which includes trade secrets, copyrighted materials, methods or other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. In my role with Franchisee, Franchisor and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manuals, and other general assistance during the term of this Agreement.

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

5. The Confidential Information is proprietary, involves trade secrets of Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my role with Franchisee, and will continue not to disclose any such information even

after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement or by the breach of another individual subject to another agreement regarding the Confidential Information.

6. I will surrender any material containing some or all of the Confidential Information to Franchisor upon request, or upon conclusion of the use for which the information or material may have been furnished.

7. Except as otherwise approved in writing by Franchisor, I shall not, while in my role with Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business that: (i) offers, sells or provides any kind of pool safety products or installation services and/or any of the other Approved Products and Approved Services offered by a Franchised Business; or (iii) grants or has granted franchises or licenses, or establishes or has established joint ventures, for one or more businesses that earn revenue from pool safety products or installation services and/or the other Approved Products and Approved Services offered by a Franchised Business (collectively, a "Competing Business"). I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business, or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

7.1 *Post-Term Restrictive Covenant for Designated Manager of Franchised Business or Manager/Officers/Directors of Franchisee*. In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a Personal Guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of two (2) years after the expiration or termination of my role with Franchisee for any reason: (i) at or within a twenty-five (25) mile radius of the Territory; or (ii) within a twenty-five (25) mile radius of any other Franchised Business that exists at the time my employment with Franchisee ceases. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location, or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose, during this two (2) year period following the termination or expiration of my employment with the Franchisee.

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

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

10. Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with Franchisee. I am aware that my violation of this Agreement will cause Franchisor and Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or Franchisor may apply for the issuance of a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without

being required to furnish a bond or other security. I agree to pay Franchisee and Franchisor all the costs it/they incur, including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and Franchisor, any claim I have against the Franchisee or the Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. I shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

12. Franchisee shall make all commercially reasonable efforts to ensure that I act as required by this Agreement.

13. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by me shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by me.

14. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, I expressly agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

15. This Agreement contains the entire agreement of the parties regarding the subject matter of this Agreement. This Agreement may be modified only by a duly authorized writing executed by all parties.

16. All notices and demands required to be given must be in writing and sent by personal delivery, delivery by a recognized courier service, certified or registered mail, or electronic mail, (provided that the sender confirms the electronic mail, by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective party at the following address unless and until a different address has been designated by written notice.

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and national holidays.

17. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective successors and assigns.

©2024 A Safe Pool Franchising, LLC

IN WITNESS WHEREOF, this Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: _____

Name: _____

Title: _____

Notice Address: _____

_____

ACKNOWLEDGED BY FRANCHISEE

By: _____

Print Name: _____

Title: _____

©2024 A Safe Pool Franchising, LLC

EXHIBIT E TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

1. _____, (the "Assignor"), in exchange for valuable consideration provided by A Safe Pool Franchising, LLC (the "Assignee"), receipt of which is hereby acknowledged, hereby conditionally assigns to Assignee all telephone numbers, domain names, social media handles and/or accounts, as well as any listings associated therewith, utilized by Assignor in the operation of its franchised business (the "Franchised Business") operating under Assignor's licensed marks in the following territory: _____ (collectively, the "Assigned Property"). The Assigned Property includes the following:

Telephone Number(s): _____
Domain Name(s): _____; and
Social Media Accounts and/or Handles: _____.

The Assigned Property also includes any telephone numbers, domain names, social media accounts and/or handles, and any other listings associated with the Franchised Business operated by Assignor.

2. The conditional agreement will become effective automatically upon any termination or expiration and non-renewal of the franchise agreement governing the Franchised Business. Upon the occurrence of that condition, Assignor must do all things required by the telephone company, domain name registrar, and any other applicable third parties to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company, domain name registrar, and any other applicable third parties, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay any such third parties to effectuate this Assignment, and agrees to fully cooperate with such third parties, as well as the Assignee, in effectuating this assignment.

ASSIGNOR

By: _____ Date: _____

Title: _____

ASSIGNEE

A SAFE POOL FRANCHISING, LLC

By: _____
Jason Howard, CEO

©2024 A Safe Pool Franchising, LLC

EXHIBIT F TO THE FRANCHISE AGREEMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

DO NOT SIGN THIS QUESTIONNAIRE IF YOU RESIDE IN, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE) :

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, SUCH PROSPECTIVE FRANCHISEE IS NOT REQUIRED TO COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

As you know, A Safe Pool Franchising, LLC ("we", "us"), and you are preparing to enter into a Franchise Agreement and/or Development Agreement for the right to open and operate one (1) or more A SAFE POOL franchises (each, a "Franchised Business"). The purpose of this Questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign Franchise Agreement and pay us the initial franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes____ No ____ 1. Have you received and personally reviewed the Franchise Agreement, as well as each exhibit or schedule attached to these agreements that you intend to enter into with us?

Yes____ No ____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes____ No ____ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes____ No ____ 4. Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?

Yes____ No ____ 5. Have you had an opportunity to review the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discuss the benefits and risks of operating the Franchised Business(es) with these professional advisor(s)?

Yes____ No ____ 6. Do you understand the success or failure of your Franchised Business(es) will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your market, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes____ No ____ 7. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

Yes____ No ____ 8. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the A SAFE

POOL mark or any other mark at any location outside your Designated Territory under the Franchise Agreement?

Yes____ No ____ 9. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated, at our option, at our then-current headquarters?

Yes____ No ____ 10. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?

Yes____ No ____ 11. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 12. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 13. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Date: _____	Date: _____

GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON BACK OF THIS PAGE (REFER TO QUESTION NUMBER)

EXHIBIT B
TO
A SAFE POOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

MULTI-TERRITORY ADDENDUM

©2024 A Safe Pool Franchising, LLC

MULTI-TERRITORY ADDENDUM TO FRANCHISE AGREEMENT

THIS MULTI-TERRITORY ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum") is made and entered into on _____ (the "Effective Date") by and between: (i) A Safe Pool Franchising, LLC, an Arizona limited liability company with a business address at 10115 E. Bell Road, Suite 107-626, Scottsdale, Arizona ("Franchisor"); and (ii) _____, a _____ with its principal place of business at _____ (the "Franchisee").

BACKGROUND

A. Franchisee and Franchisor have entered into a franchise agreement (the "Franchise Agreement") pursuant to which Franchisee obtained the right and undertook the obligation to operate a franchised business (the "Franchised Business") using Franchisor's proprietary marks (the "Proprietary Marks") within a defined geographical area as set forth more fully therein ("Designated Territory").

B. Franchisee has requested the right to acquire one (1) or multiple geographical areas described in Schedule 1 to this Addendum (each, an "Additional Territory") wherein Franchisee will acquire the right and obligation to actively operate the Franchised Business and solicit prospective customers.

C. Consistent with Franchisor's current franchise disclosure document ("FDD"), Franchisor is willing to award an Additional Territory or multiple Additional Territories to Franchisee, conditioned upon (i) Franchisee's entering into a separate franchise agreement for each Additional Territory in which it will operate pursuant to this Addendum (each, an "Additional Franchise Agreement"), and (ii) the other terms and conditions set forth in this Addendum.

D. Franchisor and Franchisee now wish to memorialize the foregoing, subject to the terms and conditions set forth in this Addendum.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Background; Definitions; Acknowledgement.**

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

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

c. The parties agree and acknowledge that the term of this Addendum will expire at the same time as the Franchise Agreement.

2. **Development Fee.** Upon execution of this Addendum, Franchisee shall pay Franchisor a fee in the total amount of $_____(the "Development Fee") as consideration for Franchisor granting Franchisee the right to operate the Franchised Business(es) within the Additional Territory(ies). The Development Fee will be due and payable in a lump sum immediately upon execution of this Addendum. The parties agree and acknowledge that the fee described in this Section is deemed fully earned upon payment and

© 2024 A Safe Pool Franchising, LLC

is not refundable under any circumstances.

3. **Right to Operate within Additional Territory(ies).** Subject to the terms and conditions of this Section 3 and the other terms and conditions of this Addendum, Franchisee will have the right to operate the Franchised Business within the Additional Territories set forth in Schedule 1 to this Addendum. Except as provided in this Addendum, Franchisee will have the right and obligation to commence operations of the Franchised Business within the Additional Territory(ies) detailed in Schedule 1: (i) immediately upon execution of this Addendum and all Additional Franchise Agreements if the Franchised Business has already commenced operations; or (ii) if the Franchised Business has not yet commenced operations as of the date this Addendum is signed, immediately upon Franchisee's (a) completion of all pre-opening obligations under the Franchise Agreement and all Additional Franchise Agreements, and (b) the subsequent launch of the Franchised Business in accordance with the terms of the Franchise Agreement and all Additional Franchise Agreements.

4. **Initial Training Program Obligations.** The parties agree and acknowledge that: (i) Franchisee is only required to attend and complete Franchisor's Initial Training Program described more fully in the Franchise Agreement once in connection with the Franchised Business governed by this Addendum; and (ii) Franchisor is not obligated to provide such Initial Training Program to Franchisee once Franchisee or its operating principal(s) have completed such initial training. In the event Franchisee wishes to utilize a Designated Manager in connection with the operation of the Franchised Business in any Additional Territory awarded hereunder, then Franchisee must ensure that said Designated Manager completes all required initial training prior to that individual undertaking any management responsibilities in connection with the operation of the Franchised Business. All other provisions regarding Franchisee's ongoing training obligations in the Franchise Agreement are hereby ratified and confirmed and shall apply to the Additional Territory(ies).

5. **Reporting Obligations.** Franchisee agrees and acknowledges that its operation of the Franchised Business within the Additional Territory(ies) granted hereunder will require Franchisee to report its Gross Sales and other customer information in a manner that allows Franchisor to determine which Designated Territory such Gross Sales and customer projects were generated/located, utilizing Franchisor's prescribed reporting forms and required software.

6. **Transfer Fee.** Franchisor and Franchisee agree and acknowledge that if Franchisee wishes to sell or otherwise transfer its right to operate in an Additional Territory that Franchisee will be required to pay a transfer fee in connection with each Additional Territory it wishes to sell or transfer to a third party approved by Franchisor as set forth in the applicable Additional Franchise Agreement governing the Additional Territory.

7. **Renewal Fee.** Franchisor and Franchisee agree and acknowledge that if Franchisee wishes to renew its right to operate in an Additional Territory that Franchisee will be required to pay a renewal fee and meet all other renewal requirements in connection with each Additional Territory it wishes to renew as set forth in the applicable Additional Franchise Agreement governing the Additional Territory.

8. **Transfer.** Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Addendum in Franchisor's sole discretion.

9. **Governing Law.** Franchisor and Franchisee agree and acknowledge that the governing law provisions of the Franchise Agreement shall also apply to this Addendum.

10. **Venue; Forum; Jurisdiction; Dispute Resolution.** Franchisor and Franchisee agree and acknowledge that the venue, forum, jurisdiction, dispute resolution and all other enforcement-related provisions of the Franchise Agreement shall also apply to this Addendum.

© 2024 A Safe Pool Franchising, LLC

12. **Ratification of Franchise Agreement.** Except as amended by this Addendum, any and all other terms and conditions set forth in the Franchise Agreement are hereby ratified and confirmed as if fully restated herein.

13. **Entire Agreement.** The Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties concerning the subject matter set forth herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

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

FRANCHISOR:

A SAFE POOL FRANCHISING, LLC

By: _____
Jason Howard, Owner

Date: _____

FRANCHISEE:

_____

By: _____

Print Name: _____

Title: _____

Date: _____

© 2024 A Safe Pool Franchising, LLC

SCHEDULE 1

ADDITIONAL TERRITORY(IES)

Additional Territory No. 1	**Description or Map:**
Additional Territory No. 2	

© 2024 A Safe Pool Franchising, LLC

EXHIBIT C
TO
A SAFE POOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

OPERATIONS MANUAL TABLE OF CONTENTS

©2024 A Safe Pool Franchising, LLC

Table of Contents

Introduction ..... 9 pages
Human Resources ..... 28 pages
Zero Tolerances ..... 4 pages
Dress Code & Hygiene ..... 28 pages
Marketing Overview ..... 15 pages
Financial Reporting ..... 6 pages
Pre-Opening Manual ..... 13 pages

©2024 A Safe Pool Franchising, LLC

EXHIBIT D
TO
A SAFE POOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

A Safe Pool Franchising, LLC

(An Arizona Limited Liability Company)

Balance Sheet with Report of Independent Auditors
May 31, 2024

Table of Contents

Report of Independent Auditors..... Page 1
Balance Sheet..... Page 3
Notes to the Financial Statements..... Page 4

Report of Independent Auditors

To the Member of
A Safe Pool Franchising, LLC;

Opinion
We have audited the accompanying financial statement of A Safe Pool Franchising, LLC, (the Company), an Arizona limited liability company, which comprises the balance sheet as of May 31, 2024, and the related notes to the financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of the Company as of May 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after June 14, 2024.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Troy, MI
June 14, 2024

A Safe Pool Franchising, LLC
(An Arizona Limited Liability Company)
BALANCE SHEET
As of May 31, 2024

	May 31, 2024
ASSETS	
Current assets	
Cash and cash equivalents	$ 50,000
Total current assets	50,000
LIABILITIES AND MEMBER'S EQUITY	
Contributed capital	50,000
Member's equity	50,000
Total liabilities and member's equity	$ 50,000

The accompanying notes are an integral part of the financial statements.

A Safe Pool Franchising, LLC
(An Arizona Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

1. Organization

A Safe Pool Franchising, LLC ("The Company") was organized in april 2024, in the State of Arizona. The Company offers franchise opportunities in the pool safety industry. As a franchisor, the Company is subject to all the laws, rules, and regulations of each state. Some states have more stringent regulations than others.

For the period ended May 31, 2024, total capital contributions were $50,000 and member withdrawals were $0.

2. Summary of significant accounting policies and nature of operations

Basis of accounting
The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which could exceed federally insured limits. As of May 31, 2024, the cash balance was $50,000 and did not exceed the insured limit.

Revenue and expenses
Operating income consists of contractual services which are recognized as revenue in the month earned as well as revenue from other contractual agreements. This income will principally be comprised of revenues earned by the Company as part of the franchise sales to customers. Additional revenues earned by the Company are expected from the sales of products, marketing materials, and other services to the franchisees and royalties. The Company has no franchisees as of May 31, 2024.

Expenses are recognized in the month incurred and accrued as necessary per accrual basis reporting.

Fair value of financial instruments
The Company's financial instruments consist of cash, contracts receivable, accounts payable, accrued expenses, and / or other short-term assets and liabilities. These financial instruments approximate their fair values principally because of the short-term maturities of these instruments.

2. Summary of significant accounting policies and nature of operations (continued)

Income taxes
Income taxes on Company income are levied on the Member at the member level. Accordingly, all profits and losses of the Company are recognized on the Member's individual tax return.

3. Subsequent events

Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of A Safe Pool Franchising, LLC through June 14, 2024 (the date the financial statements were available to be issued) and concluded that no events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

EXHIBIT E
TO
A SAFE POOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

California Department of Financial Protection & Innovation
TOLL FREE 1-(866) 275-2677

LA Office
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Sacramento Office
2101 Arena Boulevard
Sacramento, CA 95834
(866) 275-2677

San Diego Office
1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

San Francisco Office
One Sansome St., #600
San Francisco, CA 94104
(415) 972-8559

Florida Department of Agricultural
and Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(904) 922-2770

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-11
Indianapolis, IN 46204
(317) 232-6681

Kentucky Office of the Attorney General Consumer Protection Division
P.O. Box 2000
Frankford, KY 40602
(502) 573-2200

Maryland Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Michigan Department of the Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48933
(517) 373-7117

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1600

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509-5006
(402) 471-3445

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236

©2024 A Safe Pool Franchising, LLC

North Dakota Securities Department
State Capital, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-291

Oregon Department of Consumer
and Business Services
Division of Finance and Corporate
Securities labor and Industries
350 Winter Street, NE, Room 410
Salem, OR 97310-3881
(503) 378-4140

Director, Department of Business Regulations
Rhode Island Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903-4232

South Dakota Division of Insurance
Securities regulation
125 S. Euclid Suite 104
Pierre, SD 57501
(605) 773-3563

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, TX 78711
(512) 475-1769

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

State of Washington
Director, Department of Financial Institutions
Securities Division
150 Israel Road, SW
Olympia, WA 98501
(360) 902-8760

Wisconsin Commissioner of Securities
345 W Washington Ave., 4th Floor
Madison, WI 53703
(608) 266-8550

©2024 A Safe Pool Franchising, LLC

AGENTS FOR SERVICE OF PROCESS

Jason Howard
A Safe Pool Franchising, LLC
10115 E. Bell Road, Suite 107-626,
Scottsdale, AZ 85260

California Commissioner of the Department of
Financial Protection & Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Commissioner of Corporations of the Department of
Financial Protection & Innovation
One Sansome St., #600
San Francisco, California 94104
(415) 972-8559

Commissioner of Corporations of the Department of
Financial Protection & Innovation
2101 Arena Boulevard
Sacramento, CA 95834

Commissioner of Securities of the State of HI
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
P.O. Box 30054, 6546 Mercantile Way
Lansing, MI 48909

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231
(518) 473 2492

North Dakota Securities Commissioner
State Capitol – 5th Floor
600 E. Boulevard Avenue
Bismarck, ND 58505

Director, Department of business Regulation
Division of Securities
Suite 232
233 Richmond Street
Providence, RI 02903-4232

South Dakota Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Clerk of the State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, VA 23219

Director, Department of Financial Institutions
Securities Division
150 Israel Road, Southwest
Olympia, WA 98501

Wisconsin Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703
(608) 261-9555

©2024 A Safe Pool Franchising, LLC

EXHIBIT F
TO
A SAFE POOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

CALIFORNIA ADDENDUM
TO THE A SAFE POOL
FRANCHISE DISCLOSURE DOCUMENT

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. Neither Franchisor nor any person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, (15 U.S.C.A. 78 a et seq.), suspending or expelling such persons from membership in such association or exchange.

3. California Business and Professions Codes sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

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

5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. The franchise agreement requires application of the laws of the state of Arizona. This provision may not be enforceable under California law.

7. The mediation and arbitration described in the franchise agreement will take place at or near our current place of business. You and we will generally bear each of our own costs in any dispute, but the arbitrator can assess costs (but not attorney's fees) against a losing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

9. Item 6 of the Franchise Disclosure Document is hereby revised to note that the highest interest rate allowed in California is 10%.

10. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV (**HTTP://WWW.DFPI.CA.GOV**).

11. Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commission of the Department of Financial Protection and Innovation.

12. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

13. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchise, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

CALIFORNIA ADDENDUM
TO THE A SAFE POOL
FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF CALIFORNIA ARE HEREBY AMENDED AS FOLLOWS:

1. Section 31125 of the California Corporation Code requires the Franchisor to give you a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to solicitation of a proposed material modification of an existing franchise.

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

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

4. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This may not be enforceable under California law.

5. The Franchise Agreement requires binding arbitration. This provision may not be enforceable under California law.

6. Section 24 of the Franchise Agreement is hereby deleted in its entirety.

7. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchise, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

A SAFE POOL FRANCHISING, LLC	**FRANCHISEE**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date Signed:_____	Date Signed:_____

EXHIBIT G
TO
A SAFE POOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AND FORMER FRANCHISEES

List of Current Franchisees

None.

List of Former Franchisees

None.

©2024 A Safe Pool Franchising, LLC

EXHIBIT H
TO
A SAFE POOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES PAGE

©2024 A Safe Pool Franchising, LLC

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Florida, Hawaii, Indiana, Illinois, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

State	Effective Date
California	Pending Registration
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

©2024 A Safe Pool Franchising, LLC

EXHIBIT K
TO
A SAFE POOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

©2024 A Safe Pool Franchising, LLC

RECEIPT (OUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If A Safe Pool Franchising, LLC offers you a franchise, it must provide this disclosure document to you fourteen (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 or grant.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, and Wisconsin require that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If A Safe Pool Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and your State Administrator listed in Exhibit E to this Franchise Disclosure Document. A list of franchisor's agents registered to receive service of process is listed in Exhibit F.

I have received a Franchise Disclosure Document with an issue date of July 2, 2024, which contained the following Exhibits:

A: Franchise Agreement
B: Multi-Territory Addendum
C: Operations Manual Table of Contents
D: Financial Statements
E: List of State Administrators
F: List of Agents for Service of Process
G: State Specific Addenda
H: List of Franchises
I: List of Former Franchisees
J: List of Franchise Organizations Created, Sponsored or Endorsed
K: State Effective Page
L: Receipts

The name, principal business address and telephone number of each franchise seller offering the franchise: Jason Howard, A Safe Pool Franchising, LLC, 10115 E. Bell Road, Suite 107-626, Scottsdale, AZ 85260, (661) 932-1842.

If an individual:

By: _____

Print Name: _____

Date: _____

Telephone Number: _____

If a Partnership, Corporation or Limited Liability Corporation:

Name of Entity: _____

By: _____

Print Name: _____

Date: _____

©2024 A Safe Pool Franchising, LLC

RECEIPT (YOUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If A Safe Pool Franchising, LLC offers you a franchise, it must provide this disclosure document to you fourteen (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 or grant.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, and Wisconsin require that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If A Safe Pool Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and your State Administrator listed in Exhibit E to this Franchise Disclosure Document. A list of franchisor's agents registered to receive service of process is listed in Exhibit F.

I have received a Franchise Disclosure Document with an issue date of July 2, 2024, which contained the following Exhibits:

A: Franchise Agreement
B: Multi-Territory Addendum
C: Operations Manual Table of Contents
D: Financial Statements
E: List of State Administrators
F: List of Agents for Service of Process
G: State Specific Addenda
H: List of Franchises
I: List of Former Franchisees
J: List of Franchise Organizations Created, Sponsored or Endorsed
K: State Effective Page
L: Receipts

The name, principal business address and telephone number of each franchise seller offering the franchise Jason Howard, A Safe Pool Franchising, LLC, 10115 E. Bell Road, Suite 107-626, Scottsdale, AZ 85260, (661) 932-1842.

If an individual:

By: _____

Print Name: _____

Date: _____

Telephone Number: _____

If a Partnership, Corporation or Limited Liability Corporation:

Name of Entity: _____

By: _____

Print Name: _____

Date: _____

©2024 A Safe Pool Franchising, LLC