FRANCHISE DISCLOSURE DOCUMENT

Aire-Master of America, Inc.
a Missouri corporation
P.O. Box 2310
Route CC and Highway 160
Nixa, Missouri 65714
(417) 725-2691
www.airemaster.com

The Franchise is an odor control, scent branding, and commercial hygiene system, including scheduled cleaning of restrooms and servicing of deodorizing and product dispensing equipment. The general market is commercial businesses such as hospitals, clinics, doctor's offices, adult care, apartments and multi-family housing, hotels and lodging, office buildings, amusement and recreation, daycares, restaurants, and retail outlets.

The total investment necessary to begin operations of an Aire-Master franchise is from $45,434 to $169,900. This includes $35,500 to $105,500 that must be paid to Aire-Master. The initial franchise fee is not uniform for all franchisees.

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 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 Michael Kelly at P.O. Box 2310, 1821 N. Hwy CC, Nixa, Missouri 65714 and(651) 587-9829.

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

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

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

Issuance Date: June 30, 2022

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 Exhibits B-1 and B-2.
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 Exhibits C-1 and C-2 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 Aire-Master business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be Aire-Master franchisee?	Item 20 or Exhibits B-1 and B-2 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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 us by mediation, arbitration and or litigation only in Missouri. Out-of-state mediation, arbitration and or litigation may force you to accept a less favorable settlement for disputes. it may also cost more to mediate, arbitrate, and or litigate with us in Missouri than in your own state.
2. **Mandatory Minimum Payments**. You must make mandatory minimum royalty payments or advertising contribution regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment
3. **Sales Performance Requirement**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
4. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

MICHIGAN STATE COVER PAGE

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

Michigan, Sec. 445.1527.Void and Unenforceable Provisions

Sec. 27. Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

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

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

Any questions regarding the notice should be directed to the department:

Michigan Attorney General
Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
(517) 373-1140
Toll Free (877) 765-8388
Facsimile (517) 241-3771

The total number and location of franchises presently operating in Michigan is listed at FDD item 20 and Schedule B-1. Aire-Master adds new franchises only as suitable potential franchisees are located, and has not targeted an expected number of franchise sales in Michigan.

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Exhibits:

- A.1 Aire-Master of America Franchise Agreement (and Illinois, Maryland, and North Dakota state specific addendums)
- A.2 Promissory Note
- A.3 Security Agreement
- A.4 UCC Financing Statement
- A.5 Guaranty
- A.6 Deed of Trust
- A.7 Release and Consent to Transfer Agreement
- A.8 Designated Persons/ Patriot Act Affidavit
- A.9 Franchise Fee Deposit Agreement
- A.10 Franchise Agreement Amendment for Qualifying Existing Franchises Developing Additional Territory – Deferred Franchisee Fee Payment
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- A.12 Franchise Agreement Amendment – Miscellaneous (add/remove franchisee / revise Territory)
- B.1 List of Franchisees
- B.2 List of Former Franchisees who left during prior franchisor's fiscal year
- B.3 List of Franchisees related to persons listed in Item 2
- B.4 List of Franchisees who have transferred
- C.1 "Independent Auditors' Report" as of March 31, 2022 and March 31, 2021
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- D List of Registered Agent for Service of Process in Various States
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State Effective Dates

RECEIPT(S) last 2 pages

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

To simplify the language in this Franchise Disclosure Document ("FDD") "Aire-Master" or "AM" means Aire-Master of America, Inc., the Franchisor, and "You" means the franchisee or the person or legal entity [includes a corporation, partnership, limited liability company or other legal entity (collectively "legal entity") and their owners, officers and directors] who acquires the franchise.

Aire-Master is a Missouri corporation, incorporated on August 27, 1976, doing business under the name "Aire-Master of America" or "Aire-Master". Aire-Master's corporate offices and facilities are at 1821 N. Hwy CC, with mailing address of P.O. Box 2310, Nixa, Missouri 65714, and acquired predecessor Jerry P. McCauley's assets and operations on AM's formation. Aire-Master has no parents or subsidiaries.

Aire-Master owns and operates an odor control, scent branding, and commercial hygiene systems business in a number of states, and manufactures products used in the business. It offers franchises for the odor control and cleaning business. Aire-Master has operated a business of the type you will conduct since 1977. Aire-Master first offered and granted a franchise for odor control and commercial hygiene systems in 1977, and does not and has not granted franchises in any other line of business. Aire-Master manufactures and markets certain odor control and cleaning products under the trademark "EsScents" through distributors who are not franchisees, which are similar to products utilized in the Aire-Master franchise system. Aire-Master manufactures various products for third parties packaged under private label. Aire-Master has no other business activities and no affiliates.

Aire-Master's registered agents authorized to receive service of process in various states are listed in Exhibit D.

Aire-Master's predecessor was Jerry P. McCauley operating as a sole proprietorship under the name of Aire-Master Company, with business address of 1910 S. Stewart, Springfield, Missouri 65804. Jerry was active in all phases of the business to be operated by you from 1966 through 2012. He did not offer or grant a franchise in odor control and commercial hygiene systems or any other business, the first franchise being granted by Aire-Master.

Aire-Master franchises the odor control, scent branding, hand care, and cleaning business, with scheduled cleaning of restrooms and servicing of deodorizing and product dispensing equipment, including right to use the name, Marks (as defined below), operational concepts and methods, forms, manuals and other literature, products, copyrights, trade secrets, training procedures, advertising and marketing programs, etc., (the "Aire-Master System" or "System"), all as limited by the Franchise Agreement (the "Franchise Agreement" or "Agreement").

The general market is restrooms, lobbies, offices, eating areas, and living spaces, of commercial businesses such as hospitals, clinics, doctor's offices, adult care, apartments and multi-family housing, hotels and lodging, office buildings, amusement and recreation daycares, restaurants, and retail outlets.

There are no regulations specific to the industry in which the franchise business operates.

Your Competitors include multi-state businesses, other franchisors and independent proprietorships offering odor control and commercial hygiene services and products.

2. BUSINESS EXPERIENCE

Chief Executive Officer, Assistant Secretary, Chairman of the Board of Directors: Douglas D. McCauley

Doug has been employed by Aire-Master in Nixa, Missouri, since May of 1990. Doug was elected CEO and Vice-Chairman of the Board in April 2007, and Chairman of the Board in December, 2012.

President and Chief Operating Officer, Walter R. Heinle

Walter has been employed by Aire-Master in Nixa, Missouri, since April of 1992. Walter was elected President and Chief Operating Officer in April 2007, and has served in those capacities since then.

Vice President of Operations: Eric Reese

Eric Reese has been employed by Aire-Master in Nixa, Missouri, since July 1993. Eric has been plant manager since May 2000. Eric was elected Vice President of Operations in April 2007, and has served in that capacity since then.

Franchise Director: Jim Roudenis

Jim Roudenis has been employed by Aire-Master in Nixa, Missouri, since January 1998. Jim has been Franchise Director since December 1, 1999.

Chief Financial Officer: Tom Coleman

Tom Coleman has been employed by Aire-Master as Chief Financial Officer in Nixa, Missouri, since December 2016.

Senior Designer & Developer: Doug Burton

Doug Burton has been employed by Aire-Master in Nixa, Missouri since August 1990. He started as the Media Director. Doug left Aire-Master in 2003 and was rehired by Aire-Master in November 2009 as Senior Designer and Developer.

Franchise Recruiter: Tammy Stiles

Tammy Stiles has been employed by Aire-Master in Nixa, Missouri, since 2007 as Administrative Assistant, and became the franchise recruiter in 2016, and she has served in those capacities since those dates.

National Sales Manager: Michael Kelly

Michael Kelly has been employed by Aire-Master in Nixa, Missouri, since December 2014 as National Sales Manager. In July 2021, Michael Kelly assumed the position of Franchise Recruiter. He has served in those capacities since those dates.

Creative Director: Patty Long

Patty Long has been employed by Aire-Master in Nixa, Missouri, since August 2020.

3. LITIGATION

No litigation is required to be disclosed in this Item.

4. BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

5. INITIAL FEES

The initial franchise fee is not uniform for all franchisees, and ranges from $30,000 to $100,000. A required $4,000 minimum inventory purchase must be added to the initial franchise fee as part of the initial fee. The franchise fee is $.10 per person within the territory, with a minimum $30,000 franchise fee ($34,000 initial fee with minimum inventory) for a population up to 300,000. The typical minimum territory population approved is 500,000 (franchise fee of $50,000, $54,000 initial fee with minimum inventory) or more, e.g., for a territory population of 1,000,000, the franchise fee would be $100,000 (calculated as 1,000,000 times .10) ($104,000 initial fee with minimum inventory). The current minimum inventory purchase is $4,000. The average territory requires only the minimum $4,000 inventory. In the fiscal year ending March 31, 2022 the required inventory purchase was $4,000 for all franchises sold. You must purchase items listed in franchise agreement Schedule A, including deodorizing and cleaning units, hand and other liquid, solid, semi-solid, powdered, and aerosol disinfectants, cleaning, and sanitizing, chemicals, agents, and, soaps, toilet bowl, urinal and commode screens, shields, mats, service and identification labels, signs, vehicle graphics, literature, stationery, business cards, forms, and uniforms. You must pay the franchise fee and pay for the initial inventory provided by Aire-Master

on execution of the agreement unless other arrangements are made. You are required to attend the Annual Franchisee Convention and must pay Aire-Master a $1,500 set fee payable $375 quarterly, including attendance, hotel room charge for the conference days and certain meals designated by Aire-Master for up to 2 persons, but not including your travel expenses. You may be required to pay Annual Franchisee Convention fee installment before opening. Aire-Master's proprietary software is licensed to franchisees during the franchise term as part of the initial franchise fee and royalties and without additional charge.

Aire-Master has the right reduce the fee for unusual circumstances, for example, low population density or sustained depressed economic conditions. Aire-Master has the right increase the fee for previous sales activity (either Aire-Master run or reacquired from a franchisee).

Aire-Master has the right to defer payment of the Initial Franchise Fee for additional franchise territory licensed under a separate franchise agreement to existing franchisees. Qualifications for consideration for deferral include: 1) having been and being in full compliance with their obligations as franchisee, 2) demonstration of: a) a high degree of motivation, b) the ability to achieve rapid expansion, and c) development of a quality account base, 3) meeting other criteria as determined in Aire-Master's sole discretion. The Initial Franchise Fee may be deferred until the earlier of: up to 2 years, or transfer of the territory for which the Initial Franchise Fee has been deferred.

Aire-Master currently offers a 10% discount on the initial franchisee fee for qualified veterans of the U.S. Armed Services who have been honorably discharged and who have had at least one year of active service.

Aire-Master encourages You to obtain financial assistance through your financial sources or other financial institutions that may be able to meet your needs. In some cases, Aire-Master may finance a portion of the franchise license fee, but is not required to. Due to the variance in initial franchise fee, inventory required and financing terms it is not possible to provide an accurate estimate of loan repayments or interest on the initial investment. Aire-Master does not restrict your source of financing, and you may incur loan interest and repayment obligations from unrelated third parties.

No fee or charge is refundable under any circumstances, except Aire-Master agrees to deliver products, equipment and or supplies within a reasonable time after receipt of order, assuming no unusual problems with delivery, strikes, inventory of supplies or otherwise. If Aire-Master fails to deliver the product, equipment, or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated above, Franchisee may notify Aire-Master in writing and cancel the Franchise Agreement, and Aire-Master will refund the Franchisee's entire initial franchise fee.

6. OTHER FEES

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty [1]	5% of monthly Gross Service Billings, minimum $250 per month [1]	15th day of following month throughout Term	"Gross Service Billings" defined as all of your sales, gross charges for labor, delivery, equipment, products, leases, or rental
Initial Training [1]	NONE [2]	NA	

Computer Software [1]	NONE [2]	Before commencing business	Computer software is proprietary and must be returned to AM on termination for any reason
Additional Training [1]	None other than lodging and travel if attending training already scheduled for other new franchisees. While not normally provided, additional on-site training may be arranged for AM's actual personal and travel expense [4] plus 25%	When training for new franchisees is conducted	AM reserves right to charge
Visit by Franchise Representative [1]	Travel expenses, which may be a set per diem fee [4]	As billed	
Promotional Material [1]	Typically $100-200 annually for color copier printed fliers at $.30/page; Full catalogs available at additional cost, and typically purchased	As billed	AM reserves right to charge
Inventory [1]	Current AM price. Typical initial order $2,500-$4,000 of required $4,000 inventory; Next order typically in 3rd month (can use any remainder of $4,000 minimum inventory); Monthly orders typically range from $900 to $6,500 during 1st 3 years	2% 10/net 30	You must purchase certain items from AM at current price quotations
Service Charges on Past Due Accounts [1]	1% per month [3], $15 late royalty report fee	As billed	
Transfers Assignments or Splitting [1]	$10,500 per Transferee [5]	On approval	
Renewal	NONE	NA	
Audit	Cost if under-reported 5% or more [6]	At end of audit	AM has the right to audit you
Lease fees	NONE	As required by third parties	AM does not currently charge any lease fees. You may incur lease fees with non-related third parties

Advertising	No advertising fund fees currently, AM may charge for sales promotion materials. Franchisee may decline promotional materials in excess of a maximum $250 annual purchase.	No advertising fund fees currently. AM may require You to purchase promotional materials up to $250 maximum annually.	AM does not charge advertising fees, but reserves the right to implement advertising fees up to a maximum of 4% of Gross Service Billings in the future.
National Account processing fee	Currently 12% of invoice billed on shared/national accounts. AM may charge a maximum 4% processing fee or escrow fee if AM performs centralized invoicing and collection services.	Per invoice	2% processing fee; plus 10% commission, when applicable
Annual Franchise Conference Fee	Currently $1,500 annually	$375 quarterly	Includes conference attendance, hotel charge for the conference days, and certain meals designated by AM, for up to 2 persons, but not including travel expenses
Attorney fees and expenses	You must pay AM's its costs, expenses, and attorney's fees for enforcing the Franchise Agreement or defending any related action or proceeding, whether or not suit is filed.	When incurred	
Approval of alternate supplier	AM may charge You for AM's cost and expense, including AM's internal and overhead costs, for supplier approval review, whether approved or not.	When incurred	

No fee or charge paid to Aire-Master is refundable under any circumstances. Other fees or charges paid to third parties may be refundable depending on those parties' terms.

1. All fees are imposed by and payable to Aire-Master and are non-refundable. Fees imposed by Aire-Master are uniformly imposed for all franchisees, except the initial franchise fee and transfer fees may be reduced in Aire-Master's discretion. Aire-Master is not required to but has currently used its discretion under the agreement to set volume royalty discounts as follows: 5% of monthly Gross Service Billings up to $25,000; plus 4% over $25,000 up to $50,000; plus 3% over $50,000; and had reduced the royalty on paper products to 2.5% using its discretion in the Agreement. Items with reduced/waived royalty amount do not count in calculating volume royalty reduction. The $250 minimum monthly royalty in the second and following years is not a representation

or indication of your gross receipts, but is only Aire-Master's business determination of the minimum royalty necessary to cover administrative costs and justify continuation of the franchise license.

2. Licensed to franchisees without additional charge.

3. Maximum allowed by law, if less than 1.5% per month. A $15 late royalty fee is charged if the report is not received by the 25th of the following month, and each successive month until paid.

4. Travel expenses include airfare, hotel, meals, and a rental car if needed. Recent expenses have ranged from $1,300 to $1,750 for one representative, but may be more depending on time to plan to obtain better airfare, length of stay and number of representatives sent.

5. Aire-Master has the right in its discretion may reduce this transfer fee in certain circumstances, e.g., it has in the past reduced the fee to $2,500 for a transfer to another current franchisee, and has charged a single fee where one territory has been divided and sold to two different new franchisees. The transfer fee includes up to 5 days training at Aire-Master's Nixa, Missouri location, up to 5 days of on-site training at franchisee's location by a corporate salesperson, and use of the Route-Master computer software during the term of the franchise. Any reduction in the transfer fee may result in adjustments to the initial support functions provided by Aire-Master.

If a transfer involves splitting a territory, Aire-Master will license the transferee-franchisee to use the Route-Master computer software during the franchise term without additional charge.

6. Aire-Master has not required any franchisee to pay the cost of audit, and therefore cannot estimate the cost. Factors in cost include the length of the period being audited, number of transactions to be reviewed, condition and organization of books etc., and the cost could be substantial.

7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount - Minimum	Amount - Maximum	Payment Method	When Due	To Whom Paid
Initial Franchise Fee [12]	$30,000	$100,000	Lump sum	At signing of franchise agreement	AM
Opening inventory [1, 12]	$4,000	$8,000	Lump sum	At signing of franchise agreement	AM
Travel and living expenses while training	$0	$0	included as part of franchise fee or transfer fee for 2 persons	At signing of franchise agreement	
Real estate & Improvements [2]	$50	$750	As required by third parties	As required by third parties	Lessor
Computer/printer, etc. [3]	$3,000	$4,500	As required by third parties	As required by third parties	Vendors
Computer Software [4]		[5]	NA	NA	AM

Equipment [5]	$500	$15,000	(Lump sum for any AM which is included in inventory, above), as required by third parties	AM equipment included in inventory, as required by third parties	AM or vendors
Vehicle [5]	$4,000	$16,000	As required by third parties	As required by third parties	Vendor
Vehicle graphics	$100	$1,000	As required by third parties	As required by third parties	Various
Security Deposits	$0	$2,000	As required by third parties	As required by third parties	Landlords, utility companies
Professional fees [6]	$200	$2,000	As required by third parties	As required by third parties	Attorneys, CPA
Government fees [7]	$25	$1,000	As required by third parties	As required by third parties	Various
Insurance [14]	$450	$9,000	As required by third parties	Before operating	Vendor
Miscellaneous opening costs [8]	$100	$1,000	As required by third parties	As required by third parties	Various
Advertising - 3 months	$9	$150	As required by third parties	As required by third parties, AM for promotional materials up to $250 annually	Phone Co. & Advertisers
Additional funds - 3 months [9]	$1,500	$6,500	As incurred, or as required by third parties	As required by third parties	Employees Suppliers, Utilities
Attend Annual Franchisee Convention [10]	$1,500	$3,000	Annually (normally summer) - Lump sum to AM, as required by third parties	As invoiced by AM, as required by third parties	AM, airlines, restaurants, hotels
Total [11]	$45,434	$169,900			

No fee or charge paid to Aire-Master is refundable under any circumstances. Other fees or charges paid to third parties may be refundable depending on those parties' terms. Aire-Master may, but is not obligated to, finance a portion of the initial franchise fee. Aire-Master will not finance other opening or operating costs, and will not guarantee your note or obligation to any third party

1. You must purchase initial inventory of supplies and equipment from Aire-Master before you commence business. The required minimum inventory purchase is $4,000 and may be up to $8,000 or possibly higher if necessary to have adequate supplies to service larger territories. The average territory will require only the $4,000 minimum inventory. On termination, Aire-Master has the option but is not required to purchase your equipment, inventory, and products.

2. The majority of your business operations occurs at the customer's premises and requires minimal real property use. This use includes office operations and a moderate amount of safe, dry, and convenient storage for inventory and equipment. You may find the garage of your residence and a heated space for office work adequate if not prohibited by zoning and occupancy regulations, etc., which would reduce the amount required to start business. A typical space to store inventory and equipment ranges from a 10'x10'x2' shelfing unit to a 10'x10' storage unit, depending on the size of the franchise and services and products offered. The typical office requires space for a desk, computer, printer, telephone, and files. 90% of franchisees use their home for office space and garage for storage if permitted. Franchisee may have some cost to modify Franchisee's home, and cost will be higher if Franchisee leases a storage unit(s) or commercial space.

3. You must purchase computer hardware from third parties meeting certain minimum requirements, see estimated cost range in Item 7 table, above. The computer industry is constantly advancing, and Aire-Master sets minimum requirements at an appropriate level between state of the art and obsolete. Generally, computers purchased within one to two years meet these requirements. MINIMUM: Internet connected desktop or laptop computer with current operating system (Windows or Mac) and laser printer. E-mail account. Up to date web browser (Internet Explorer, Chrome, Firefox, Safari). Up to date security software. Minimum 6 Mbps Broadband internet access, 12 Mbps or faster, and secondary internet provider recommended. You must maintain the computer system in good working and operational condition. There are no specific upgrade or update requirements. There are no contractual limits on the frequency or expense of Your duty to maintain and update the computer system. You must use Aire-Master's web based on-line software that sends information from your computer system to Aire-Master, and Aire-Master has access to Your information stored in the on-line system. Aire-Master does not have independent access to information stored on Your computer system. . There are no contractual limits imposed on Aire-Master's access to Your information stored on Your computer system or the on-line system.

4. Aire-Master licenses to franchisees without additional charge and You must use Aire-Master's proprietary computer software. The software coordinates and facilitates route scheduling, handles invoices and statements (including sales tax calculation), account receivable ledger and aging report, and calculates commissions and royalty and sales tax reports. General ledger and payroll modules are NOT included in the software. The software cannot be acquired from other sources, and must be returned to Aire-Master on expiration of the term, termination, or non-renewal of the franchise for any reason. You must have software for internet access and e-mail.

5. Required equipment includes: suitable vehicle(s) to travel to and service accounts, including transporting inventory, tools and equipment; miscellaneous small tools for installation of equipment, e.g., ladder, drill, screwdrivers, electric extension cord, etc.; miscellaneous office equipment such as desk, file cabinet, calculator, etc.; appropriate telephone service, equipment and a facsimile machine; and warehouse equipment, including shelving, etc. Cellular telephones are highly recommended. You may be able to use a currently owned vehicle if suitable, which would reduce the minimum amount required to start business. Primary vehicle is required to have permanent or removable Aire-Master Logos for advertising, and must meet approved Brand guidelines.

6. You may incur expenses for professional services (e.g., accountants or attorneys) in acquisition of the franchise and or formation of a business entity (e.g., partnership, corporation, or limited liability company) or ongoing services.

7. There may be fees etc. charged or made by federal, state, or local government, or by unrelated third parties, before a business may commence operation.

8. E.g., Business telephone typical installation $60.

9. As with any business, you must have adequate working capital to live on and run the business during start up and after, for example payment of rent and employees' salaries and dealing with variations in cash flow.

Examples of estimated advertising expenses include 1 to 3 additional yellow page listings at $9-$34 per month; purchase of promotional materials from AM up to a $250 annual maximum.

Other examples of estimated additional expenses include business telephone monthly service $38, including 1-line yellow page listing; storage locker if residence garage not available: $20-$50; annual auto $300 to $1,200 and liability insurance: $155 to $1,400; gas and miscellaneous auto expenses: $150 to $1,500 per month (or more depending on the number of vehicles operated); utilities for business location other than residence $100 to $150 per month, internet service fees of $20 per month. There may be other expenses not specifically listed. Personal living expenses etc. not included. Typically, franchises do not require employees during the initial 3 months and no employee expenses are included.

10. You must attend the annual Franchisee Conference at your expense, including transportation, meals, lodging, cost of meeting facilities, and wages or salaries of your employees attending. Aire-Master has the right to establish a set fee for the convention, which may or may not include transportation, and to require you to pay an allocable portion of the fee monthly, quarterly, or semi-annually. Aire-Master currently charges a $1,500 set fee payable $375 quarterly, including attendance, hotel room charge for the conference days and certain meals designated by Aire-Master for up to 2 persons, but not including your travel expenses.

11. Aire-Master has relied on its experience since 1977 in the franchised business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Aire-Master does not offer financing for any item, except the initial franchisee fee in Aire-Master's discretion.

12. Aire-Master has the right to reduce the Initial Franchise Fee for unusual circumstances. Aire-Master also has the right to reduce the typical minimum required population base from 500,000 to 300,000 persons or less, in turn reducing the Initial Franchise Fee as low as $30,000 or less, and minimum total investment to as low as $54,984 or less.

13. In some cases, Aire-Master may finance a portion of the initial franchise fee, but is not obligated to. No Aire-Master affiliate offers financing. Aire-Master will not finance other opening or operating costs, and will not guarantee your note or obligation to any third party. Terms include: a substantial 50% to 75% down payment; monthly payments at a fixed or variable interest rate of up to 8% over prime at a Missouri Bank as selected by Aire-Master compounded monthly; and amortized over a short term (e.g., from 2 to 4 years). See Item 10.

14. Employee bonding, Workmen's Compensation and Occupational Disease, Commercial General Liability, minimum limits $500,000 (recommended $1,000,000) per occurrence, $1,000,000 (recommended $2,000,000) aggregate); $1,000,000 products/completed operations aggregate, Property coverage subject to direct physical damage including theft, vandalism, and malicious mischief, and automobile (annual expense).

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase supplies and equipment specified in "Schedule A" of the Franchise agreement from Aire-Master. Aire-Master licenses to franchisees without additional charge and You must use Aire-Master's proprietary computer software. Aire-Master is the sole source of these items and there are no alternative sources. You are responsible for all sales/use taxes or equivalents. Aire-Master will derive revenue from the required purchases listed above. In the year ending March 31, 2022, Aire-Master's revenues from the sales of these items to franchisees was $3,912,346 or 28.5% of Aire-Masters total revenues of $13,713,391. No officer or other person identified in Item 2 has any interest in a required supplier other than Aire-Master.

You must purchase insurance, including employee bonding, Workmen's Compensation and Occupational Disease, Commercial General Liability, minimum limits $500,000 (recommended $1,000,000) per occurrence, $1,000,000 (recommended $2,000,000) aggregate); $1,000,000 products/completed operations aggregate, Property coverage subject to direct physical damage including theft, vandalism, and malicious mischief, and automobile. This insurance must be purchased from third parties. Neither Aire-Master nor any affiliates are a source of insurance, nor does Aire-Master or any affiliate derive any revenue from your insurance purchases.

The proportion of required purchases from Aire-Master in relation to all purchases and leases will differ due to variations in territory size, population, demographics, any previous sales activity, or other relevant factors.

Required purchases from Aire-Master are estimated to range from 20% to 50% of the costs of establishing, and 30% to 70% of the cost of operating the Franchise.

Aire-Master may set specifications or approve suppliers in the future in written documents available to you on request. Aire-Master currently has specifications and approved suppliers for various products. For a list of approved suppliers or criteria for approving suppliers, please contact Aire-Master. This may include minimum standards for delivery, performance, warranties, design, appearance, local zoning, adequate quality control and capacity to supply your needs promptly and reliably and other restrictions. Aire-Master may require evidence of compliance, for example: submission of specifications, photographs, drawings, other information and samples; testing of specimen items; and on-site inspection of manufacturing or other facilities. Aire-Master may charge a fee for approval review, whether approved or not, based on the costs and expenses incurred, including Aire-Master's internal and overhead costs. Aire-Master may revoke approval based on failure to meet specifications or standards. You may notify Aire-Master in writing if you want to purchase items or use suppliers not yet approved. Aire-Master has not received a request to approve alternate supplies or suppliers, and cannot provide the time period required for approval or cost. Aire-Master will notify you if the request is granted, rejected or the status every 30 days, and charge you for AM's actual costs, including internal staff costs, plus an additional 30% for approval review.

There are no purchasing or distribution cooperatives.

Aire-Master negotiates purchase arrangements with suppliers, including price and terms, for you.

Aire-Master does not provide material benefits to you based on your use of designated or approved sources.

Aire-Master does not have any affiliates who derive revenue, rebates or other material consideration based on the required purchases or leases.

You may not create or maintain an individual web site, newsgroup, forum or any other on-line presence (except an e-mail account and the page(s) maintained for you by Aire-Master on its web site in its discretion), or sell products or services over the internet, and Aire-Master reserves the right to conduct all electronic commerce, including business-to-business and business-to-consumer sales.

9. FRANCHISEE'S OBLIGATIONS

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 items of this disclosure document.

	Obligation	**Section in Agreement** (Franchise Agreement unless stated)	**Item in FDD**
a.	Site selection and acquisition/lease	Not Applicable	Not Applicable
b.	Pre-opening purchases/leases	3.6 & 3.7	8
c.	Site development and other pre-opening requirements	Not Applicable	6, 7, & 11
d.	Initial and ongoing training	3.4, 4.2, 4.3, 4.8	11
e.	Opening	Not Applicable	11
f.	Fees	3.10, 4.3, 4.6, 4.10, 5.1, 5.2, 5.7, 8.5, & 10.10	5, 6, & 7
g.	Compliance with standards and policies/operating manual	3.1-3.17	11

h.	Trademarks and proprietary information	3.6, 3.17, 4.1, 7.1, & 7.6,	13 & 14
i.	Restrictions on products/services offered	2.1, 2.2, 3.2, 3.6, 3.7, 3.8, 3.9, 3.17, 7.6 & Sch A	16
j.	Warranty and customer service requirements	2.2, 3.2, 3.3, & 3.6	11
k.	Territorial development and sales quotas	6.2, 6.3 & 7.3	
l.	Ongoing product/service purchase	2.1, 2.2, 3.2, 3.6, 3.7, 3.8, 3.9, 3.17, 7.6 & Sch A	8
m.	Maintenance, appearance, and remodeling requirements	3.2, 3.7, 3.14 & 3.15	11
n.	Insurance	3.13	6, 7, & 8
o.	Advertising	3.6	6 & 11
p.	Indemnification	2.6 & 3.11	6
q.	Owners' participation / management/staffing	2.2 & 3.3	11 & 15
r.	Records and reports	3.6, 3.12, 5.4, 5.5, 5.6, 6.7 & 9.1	6
s.	Inspections and audits	3.6, 4.6 & 5.7	6 & 11
t.	Transfer	8	17
u.	Renewal	6	17
v.	Post-termination obligations	7.5 & 7.6	17
w.	Non-competition covenants	7.6g & h	17
x.	Dispute resolution	Not Applicable	17
y.	Spousal Liability	Initial paragraph, & 7.6.q	State cover page, 10 & 15

10. FINANCING

Aire-Master encourages you to obtain financial assistance through your financial sources or other financial institutions that may be able to meet your needs. In some cases, Aire-Master may finance a portion of the initial franchise fee, but is not obligated to. Aire-Master will not finance other opening or operating costs, and will not guarantee your note or obligation to any third party.

The terms for any financing by Aire-Master may include:

substantial down payment (e.g., 50% - 75%);
fixed or variable rate of up to 8% over prime at a Missouri Bank as selected by Aire-Master (Promissory Note);
interest compounded monthly (interest on unpaid principal and interest calculated monthly) (Promissory Note);
monthly payments (Promissory Note);
limited or short term (e.g., from 2 to 4 years) (Promissory Note);

security interest in your franchise, inventory, or other property (e.g., your residence) (Security Agreement & UCC-1);
acceleration on default (the full balance is due immediately on default rather than just 1 payment to make up) (Promissory Note);
increased interest rate on default (2% over the note rate) (Promissory Note);
late payment fee (5% of the payment amount) (Promissory Note);
personal guaranty by spouse, shareholder, limited partner, or other equity owner, or other guarantor;
balloon payments (lower payments because note amortized over a longer term (e.g., 5 years) with full payment of the balance due prior to the end of such longer term (e.g., in 3 years)) (Promissory Note); and or
graduated payments (Promissory Note).

If Aire-Master offers financing, the actual terms will take into consideration:

the prevailing commercial interest rate and terms;
financial institutions policy regarding lending to the type of business to be operated by you;
your credit standing, equity investment, business experience; and
additional security which you may have available.

The interest rate for the promissory note may not exceed the maximum allowed by state law.

No loans were made during the prior fiscal year. Commercial interest rates are constantly changing and there is no guarantee this will be the interest rate if Aire-Master offers you financing.

Any amount financed may be prepaid without penalty.

Your liability on default includes: you can be required to be paid the balance due in full immediately; loss of your franchise and your investment; the interest rate may be enhanced after default; loss of other property securing the debt (e.g. your residence and business equipment); personal liability for any unpaid balance; inability to continue the franchised business outside the franchise system; you may have to pay court costs and attorney fees for collection; and you may lose all your defenses against Aire-Master as a result of the sale or assignment of the loan.

Any financing document(s) will waive the right to a jury trial, to notice, presentment, or dishonor on default, and notice of a collection action. The financing documents do not bar you from asserting any defense against Aire-Master, or its assignee. A third-party assignee or other person may be immune under the law to claims or defenses you may have against Aire-Master.

Aire-Master has no past or present practice or plans to sell, assign, or discount to a third party, any note, contract, or other instrument, but may do so.

Aire-Master has no arrangement with and receives no payments from any related or unrelated third parties to provide financing.

Example financing documents are attached as follows:

A.2 Promissory Note
A.3 Security Agreement
A.4 UCC Financing Statement [may require state specific form]
A.5 Guaranty
A.6 Deed of Trust [may require state specific form]

Actual documents used for any financing provided by Aire-Master to you may differ as to some terms as indicated above.

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

Except as listed below, Aire-Master is not required to provide you with any assistance.

Before you open your business, Aire-Master will:

1. Designate your exclusive territory (Franchise Agreement, Section 2.1). Aire-Master does not assist you in locating or negotiating the purchase or lease of the site from which to operate Your business, conforming the premises to local ordinances and building codes, obtaining any required permits, or constructing, remodeling, or decorating the premises.

   Aire-Master determines availability of territory and your suitability to operate a franchise in offering a license in any particular territory, but does not select a specific business location for you. You may select any suitable business location in the territory specified in "Schedule B" to the Franchise Agreement.

2. Provide training (Franchise Agreement Section 4). You and your managerial and supervisory personnel who Aire-Master deems necessary must attend and complete to Aire-Master's satisfaction the initial training program for up to 5 days conducted at Aire-Master's main offices in Nixa, Missouri. Up to 5 employees may also attend. Training is arranged with you individually in a timely fashion after signing the agreement and must be completed within 30 days before opening. Seminars and training lectures include introductions to the System, and marketing and sales techniques. You will work in the field with an Aire-Master representative. An Aire-Master representative will work with you for up to an additional 5 days in your own territory. Instructors have at least 6 months experience in Aire-Master's business and operations in the area being taught. Experience of instructors: Company Background / Franchise Regulations: Jim Roudenis, active in AM franchise relations since December 1999; Product Knowledge, Sales and Service: Melissa Cook, active with AM sales and service functions since May 1996; Doug Burton, Media Director 1999-2003, at which time he left for other employment. Doug returned to Aire-Master in November 2009 as Senior Designer and Developer actively involved in the development of the franchise intranet and the newest version of AM Route-Master software; Franchise Account: Tom Coleman, Comptroller from 2006, AM Chief Financial Officer from December 2016; Product Ordering/Shipping: Marty Worley, in AM manufacturing and product fulfillment since June 2019, and Christy Martin, in AM manufacturing and product fulfillment since October 1996; Media/Image; Patty Long, media and in charge of AM media functions since August 2014. Training materials include lectures, literature, and videotape presentation; Michael Kelly, in sales training at franchisee's location since 2014. Aire-Master has no additional charge for initial training or instructional materials. You must pay your travel to and personal living expenses for attending training other than for initial training. Aire-Master is not obligated to assist You in hiring or training other employees. Training is as follows:

TRAINING PROGRAM

Subject	Hours of Class-room Training	Hours of on the Job Training	Location
Company Background	2	0	AM headquarters
Franchise Regulations	1	0	AM headquarters
Product Knowledge	6	0	AM headquarters
Service	4	8	AM headquarters
Sales	6	8	AM headquarters
Computer	2	0	AM headquarters
Franchise Account	1	0	AM headquarters

Product Ordering/Shipping	1	0	AM headquarters
Media/Image	1	0	AM headquarters
Service & Sales	0	40	Franchisee location

Training is held at Aire-Master headquarters in Nixa, Missouri as new franchisees sign franchise agreements, typically arranged within several weeks of signing the franchise agreement. Aire-Master will pay the franchisee's cost of initial training for 2 persons in accordance with Section 3.6(a) of the Franchise Agreement. Additional training programs or refresher courses may be required if it appears necessary.

During the operation of your business, Aire-Master will: (i) allow you or your employees' access to training sessions given other new franchisees as given if space is available. Aire-Master reserves the right to charge for the additional training; and (ii) continue to furnish sales promotional aids to you, for example, as price and data books, sales plans, circular, advertising suggestions, cuts, and printed commercial and technical information in regard to the products covered by the agreement as Aire-Master has available (Franchise Agreement Section 4).

The typical length of time between signing of the Franchise Agreement and the opening of the business is 30 days. Factors affecting this time include availability of instructors and scheduling of training, and your availability.

3. provide opening inventory directly which You must buy from Aire-Master. Aire-Master does not assist You with providing for necessary equipment, signs, fixtures, or supplies.
4. furnish sales promotional aids to you, for example, as price and data books, sales plans, circular, advertising suggestions, cuts, and printed commercial and technical information in regard to the products covered by the agreement as Aire-Master has available (Franchise Agreement Section 4);
5. loan you a copy of the Operations Manual containing mandatory and suggested specifications, standards, and procedures. This manual is confidential and remains our property. Aire-Master will modify this manual, but modification will not alter your status and rights under the Franchise Agreement (Franchise Agreement, Section 4). The Operations Manual Table of Contents, as revised January 2006, is attached as Exhibit F. There are a total of 111 pages in the Operations Manual, and the number of pages for each subject is shown on the exhibit.
6. license to you Aire-Master's proprietary computer software, implemented and in continuous use since 1990. The software coordinates and facilitates route scheduling, handles invoices and statements (including sales tax calculation), account receivable ledger and aging report, and calculates commissions and royalty and sales tax reports. General Ledger and payroll are currently not included in the software. You must use the software. The software is confidential and remains Aire-Master's property, and You must return it on expiration of the Term, termination, or non-renewal for any reason. Aire-Master may modify this software, and will furnish you with the revisions without additional charge (Franchise Agreement, Section 4).
7. assist you in the preparation of publicity programs (Franchise Agreement Section 4).

Aire-Master does not and is not required to have an advertising program for the product or service to be offered by you, or to spend any specific amount for advertising generally or in any region or your Territory. There is currently no advertising fund to which you must contribute. Aire-Master does have available for our use various product and service brochures, which are generally prepared in-house. Aire-Master may allow you to use your own advertising material if approved by Aire-Master as accurate and not detrimental to the System, and you must advertise products under the designated marks. There is no advertising council. You are not required to participate in a local or regional advertising cooperative, but are encouraged to work with other area franchisees to stage several day intensive sales campaigns.

You may not create or maintain an individual web site, newsgroup, forum or any other on-line presence (except an e-mail account and the page(s) maintained for you by Aire-Master on its web site in its discretion) (Franchise Agreement Section 3.10).

You must purchase a computer system from a third-party vendor meeting required specifications, and license proprietary computer software from Aire-Master, see estimated $3,000 to $4,500 cost range in Item 7 table. The computer industry is constantly advancing, and Aire-Master sets minimum requirements at an appropriate level between state of the art and obsolete. MINIMUM: Internet connected desktop or laptop computer with current operating system (Windows or Mac) and laser printer. E-mail account. Up to date web browser (Internet Explorer, Chrome, Firefox, Safari). Up to date security software. Minimum 6 Mbps Broadband internet access, 12 Mbps or faster, and secondary internet provider recommended. You must maintain the computer system in good working and operational condition. There are no specific upgrade or update requirements. There are no contractual limits on the frequency or expense of Your duty to maintain and update the computer system. You must send information from your computer system to Aire-Master. Aire-Master does not have independent access to information stored on Your computer system. Aire-Master has transitioned to an on-line version of the software, and Aire-Master has access to Your information stored in the on-line system. There are no contractual limits imposed on Aire-Master's access to Your information stored on Your computer system or the on-line system.

Aire-Master licenses its proprietary computer software to You, but the software remains Aire-Master's property (see above). The software uses account name, address, and service history information. Aire-Master has the right to receive and may have independent access to the information and there is no contractual or other limitation or restriction on Aire-Master's right to access it (Franchise agreement, Sections 3.6, 4.5, 5.2 and 5.6). Aire-Master has not approved any compatible equivalent program. Aire-Master is not required to maintain, repair, upgrade or update the software. Aire-Master maintains, repairs, upgrades, or updates its proprietary software without additional charge, and may require you to install it. You must return the software and destroy all copies on expiration of the term, termination, or non-renewal for any reason.

12. TERRITORY

Aire-Master will grant you an exclusive area or territory described in and for the products designated in the Franchise Agreement. You will receive a map of the exclusive territory. The typical minimum population within an area is 500,000. There is no minimum area and size will vary, dependent on population, projected markets, and other pertinent business considerations. Population is determined based on the United States Census Bureau website database. Your business office may be located anywhere within the territory.

Aire-Master will not establish a company owned business or another franchised outlet using the Aire-Master or another trade name or trademark for the same or similar products or services, but may for other products, including similar products or services and or products or services within the same market and may market certain products and services on a national or regional basis, directly or through certain franchisees, without your consent, without offering you those rights, and without compensation to you, using either the Aire-Master or other trademark or trade name. Aire-Master sells similar products to those specified for the franchised system under the trade name "EsScents" or under private label to others, including distributors, who use and or resell these products to others, some of whom may be competitors of franchises, and may use and or sell those products within the Territory. If you service Shared Accounts in your Territory for which the customer pays Aire-Master, Aire-Master will pay you the revenue from servicing those Shared Accounts using the Marks, less Aire-Master's commission (see Item 6). Otherwise, Aire-Master may arrange service for Shared Accounts in your Territory without paying you any of the revenue from Shared Accounts in your Territory. Aire-Master is not required to pay any compensation to you for soliciting or accepting orders inside your franchise territory other than under the Marks. Aire-Master will transfer to you any accounts for the Aire-Master franchise business it has from prior operation of a company or franchise operation within the Territory. Aire-Master makes no covenants regarding market competition.

Aire-Master has the right to negotiate on your behalf with Shared Accounts having locations in your territory, including centralized billing, and you and all franchisees must service the accounts on the agreed terms. You have exclusive rights to service shared accounts, and receive the revenue from servicing those accounts less Aire-Master's commission (see Item 6). If you fail to service a Shared account, Aire-Master may service or arrange for service of the Shared account, and you shall receive no part of the payment for such service or any other compensation. Participation or failure to participate in the Shared Accounts program can also affect renewal or territory licensing.

You may not sell, market, or transact business outside your specified territory, without Aire-Master's prior consent. Aire-Master has the right to withhold consent for any reason or no reason. You may not resell any article, product, or part of the Aire-Master System or any other items bearing Aire-Master's marks, except sales for use with the Aire-Master System by you or a person holding a franchise from Aire-Master, either inside or outside of the territory (Franchise Agreement Section 3.9). You do not require Aire-Master's consent to relocate your office or headquarters. You may not create or maintain an individual web site, newsgroup, forum or any other on-line presence (except an e-mail account and the page(s) maintained for you by Aire-Master on its web site in its discretion), or sell products or services over the internet, and Aire-Master reserves the right to conduct all electronic commerce, including business-to-business and business-to-consumer sales, including the internet and alternative distribution using the Marks or other marks (Franchise Agreement Section 3.10). If you service Shared Accounts for which the customer pays Aire-Master, Aire-Master will pay you the revenue from servicing Shared Accounts using the Marks, less Aire-Master's commission (see above and Item 6), but otherwise is not required to pay you for those sales or services.

You have no option, right of first refusal, or similar rights, to purchase or acquire additional territory or franchises (however, Aire-Master reserves the right in its sole discretion to grant such rights).

The continuation of your territorial exclusivity and the franchise itself are dependent on achievement of certain sales volume, market penetration or other requirements, and Aire-Master has the right to alter or cancel your territory or franchise (Franchise Agreement, Sections 3, 6 and 7). The minimum sales volume is determined by the Territory population times $.10 per person. The initial minimum sales volume is ⅓ of the formula amount during the 1st year and ⅔ of formula amount during the 2nd year of the initial 3-year period. At renewal of the franchise agreement every 3 years, the minimum sales volume is adjusted for changes in population, inflation by CPI and for changes in Aire-Master's then current formula.

Aire-Master may reduce the minimum sales volume for unusual circumstances, for example, low population density or sustained depressed economic conditions. Aire-Master may increase the minimum sales volume for previous sales activity (either Aire-Master run or reacquired from a franchisee), for example, if greater, current gross sales plus 2% growth annually.

13. TRADEMARKS

Aire-Master has registered its principal mark (as shown on the cover page of this FDD) with the United States Patent and Trademark Office ("USPTO") which registration is on the principal register:

"Aire-Master" with perfume cloud as dot over 'i'
Skunk with spray can surrounded by perfume cloud
Reg. No. 1,170,645
Reg. Date: September 22, 1981
Renewed: September 30, 2011 (renewal filed January 18, 2021, pending).

Aire-Master has separately registered the "Aire-Master" word, and the skunk graphic portions of its principal mark with the USPTO, which registrations are on the principal register:

Skunk with spray can surrounded by perfume cloud
Reg. No. 2,073,146
Reg. Date: June 24, 1997
Affidavits accepted: August 23, 2002
Renewed: July 29, 2017

"Aire-Master"
Reg. No. 2,108,159
Reg. Date: October 28, 1997
Renewed: October 28, 2017

Skunk with spray bottle
Reg. No. 3,485,020
Reg. Date: August 12, 2008
Renewed October 28, 2017

"Aire-Master"
Reg. No. 3,862,868
Reg. Date: October 19, 2010
Renewed: January 12, 2021

Other registrations:

"Blue Lagoon"
Reg. No. 2,144,208
Reg. Date: March 17, 1998
Renewed: February 27, 2018

"You're N Control"
Reg. No. 1,945,636
Reg. Date: January 2, 1996
Renewed: March 10, 2016

"Paw Wash"
Reg. No. 1,921,420
Reg. Date: September 26, 1995
Affidavits accepted: May 29, 2001
Renewed: October 7, 2015

"Clean Streak" [1.]
Reg. No. 3,152,670
Reg. Date: October 10, 2006
Renewed: December 21, 2016

"go-gel" design plus words [1.]
Reg. No. 3,074,631
Reg. Date: March 28, 2006
Affidavits accepted: April 18, 2012
Renewed: December 6, 2016

"AIRE MASTER" with four circles of increasing size forming the dot of the "I" and a tornado funnel design appearing between the terms "AIRE" and "MASTER" [2]
Reg. No. 3,862,862
Reg. Date: October 19, 2010
Renewed: January 10, 2021

"Scentscapes" [2]
Reg. No. 85153944
Reg. Date December 18, 2012
Affidavits accepted: November 27, 2018

"Nuvera" [2]
Reg No. 4,859,928

Reg. Date November 24, 2015
Affidavits accepted: April 19, 2021

"McCauley's" [2]
Reg. No. 4,896,631
Reg. Date February 2, 2016

1. These marks are not exclusive to the Aire-Master System and Aire-Master may sell products under these marks to non-franchisees, including in your territory.

2. Mark not used in the Aire-Master System.

Aire-Master has separately registered a revised skunk graphic portion of its principal mark (as shown on the cover page) with the USPTO:

Aire-Master has filed all required affidavits and renewals.

There is no currently effective material determination of the USPTO, Trademark Trial and Appeal Board, Trademark Administrator of this state or any court, or pending infringement, opposition, cancellation, or pending material litigation involving the principal trademarks, except as disclosed in Item 3 (none).

No agreements currently in effect limit Aire-Master right to use or license the use of Aire-Master's trademarks, service marks, trade names, logotypes, or other commercial symbols material to the franchise.

Aire-Master knows of no infringing use of trademarks, service marks, trade names, logotypes, or other commercial symbols materially affecting your use of the marks.

Aire-Master licenses you to operate your business using the Aire-Master trade name and trademarks on a regulated and controlled basis while you continue to be a franchisee. You must follow our rules when you use the marks. You cannot use the name or marks as a part of a corporate name, alone or with modifying words, designs, or symbols, except as permitted by Aire-Master in writing. You may not use Aire-Master's name or marks in connection with the sale of an unauthorized products or services, or in any manner not authorized in writing by Aire-Master. You must notify Aire-Master immediately when you learn about infringement of or a challenge to your use of our marks. The franchise agreement does not require Aire-Master to take affirmative action when notified of these uses or claims. The franchise agreement does not require Aire-Master to participate in Your defense, and does not require Aire-Master to indemnify You for expenses or damages if You are a party to an administrative or judicial proceeding involving a trademark that Aire-Master licenses to You, or if the proceeding is resolved unfavorably to You.

Aire-Master retains all proprietary rights, goodwill and ownership of the marks, and any permitted use by you does not grant you any ownership or proprietary rights in the marks. You must modify or discontinue use of a mark if Aire-Master modifies or discontinues it or notifies you to do so. Aire-Master is not required to reimburse you for your costs in doing so.

Aire-Master will take the action it believes necessary and appropriate to defend it rights in the marks and against any infringement, but is not obligated to defend the marks or you against claims of infringement or unfair competition from your use of the marks, or to reimburse you for costs incurred in regard to a claim. Aire-Master has the right to control administrative proceedings or litigation involving trademarks that Aire-Master licenses to You.

14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise.

Although Aire-Master has not filed an application for registration for copyright of its Operations Manual (see Item 11), instructional material and other written information, it claims a copyright and the information is proprietary. Aire-Master also claims certain information is proprietary and a trade secret. You do not receive any rights in copyrighted items or trade secrets, but can use the proprietary information subject to restrictions

and limitations imposed by Aire-Master, and must cease use if instructed to do so by Aire-Master. Item 11 describes limitation on the use of the Operations Manual by you and your employees.

You must also tell us immediately when you learn about unauthorized use of this proprietary information, or if you learn about an infringement or challenge to your or our use of these copyrights or trade secrets. Aire-Master is not obligated to take any action, but will respond to this information as it thinks appropriate, and has the right to control litigation. Aire-Master will not indemnify you for losses brought by a third party concerning your use of this information or litigation about them. You must agree not to contest Aire-Master's interest in the copyrighted items or trade secrets.

If Aire-Master decides to add, modify, or discontinue the use of an item or process covered by copyright or trade secret, you must also do so. Aire-Master is not obligated to reimburse you for the tangible costs of complying with this obligation.

Aire-Master reserves all rights to use and publish information about Aire-Master, the Aire-Master System and franchisees on the internet and you may not maintain an individual web site, newsgroup, forum or any other on-line presence except an e-mail account which Aire-Master maintains for you on its web site.

There is no currently effective material determination of the USPTO, the United States Copyright Office, or any court, or pending infringement, opposition, cancellation, or pending material litigation involving any copyright, except as disclosed in Item 3 (none).

Aire-Master will take the action it believes necessary and appropriate to defend it rights in the copyrights and against any infringement, but is not obligated to defend the copyrights or you against claims of infringement from your use of the copyrights, or to reimburse you for costs incurred in regard to a claim. Aire-Master has the right to control litigation.

Aire-Master claims proprietary rights in other confidential information and trade secrets, including product formulas and composition, business operations and processes and methods, which proprietary information may be communicated to the franchisee for use solely in operation of the franchised business.

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

Unless otherwise approved in writing by Aire-Master, all individual sole proprietors/spouses, designated managers, and if you are a corporation, partnership, limited liability company or other entity besides a sole proprietorship, persons owning at least 66% equity interest, must attend training and devote full time and be personally involved with the day-to-day franchise operation.

Each individual who owns a 5% or greater interest in the franchisee legal entity (e.g., corporation, partnership, limited liability company or other entity besides a sole proprietorship) must sign the Franchise Agreement guarantying all obligations of the "Franchisee", and agreeing to be bound by certain non-competition and non-disclosure provisions.

Managers and employees must agree in writing to maintain trade secrets, and agree to covenants not to compete.

16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all approved products and services making up the Aire-Master System. You can only purchase and or use products, materials, goods, or services for the Aire-Master System supplied and or approved by Aire-Master. You cannot sell items making up the Aire-Master System apart from your use in marketing the System except to another franchisee. You may not sell goods or services comprising the System outside of your designated territory without Aire-Master's express written permission. You are not restricted from soliciting any customer located within your territory except Aire-Master has the right to negotiate on your behalf with Shared accounts having locations in your territory, including centralized billing, and you and all franchisees must service the accounts on the agreed terms.

Aire-Master has the right to add additional authorized products and or services that you must offer. There are no limits on Aire-Master's right to do so.

Subject to Aire-Master's revocation of consent, which Aire-Master may exercise in Aire-Master's sole discretion, You may sell or market goods and services unrelated to, or not specifically identified as part of, the Aire-Master System. But, You may not sell or market goods or services unrelated to the Aire-Master System using Aire-Master's Marks. For example, use of Aire-Master's Marks includes using vehicles bearing Aire-Master Marks, or through service persons wearing clothing bearing Aire-Master Marks. You must cease sales and marketing of goods or services unrelated to the Aire-Master System `immediately on receipt of notice from Aire-Master. You must report in Gross Income and pay royalties on all sales of goods or services of goods or services either: (i) for odor control, scent marketing, hygiene or cleaning, or similar, goods or services; or (ii) to customers of the Aire-Master System. You may not offer goods or services for odor control, scent marketing, hygiene or cleaning, or similar goods or services except as part of the Aire-Master System and that are reported in Gross Receipts subject to royalties.

You may not maintain a web site, newsgroup, forum or any other on-line presence, or sell products or services over the internet, except an e-mail account and individual web page(s), which Aire-Master maintains for you on its web site. Aire-Master reserves all rights to conduct electronic commerce, including business to business and business to consumer sales.

17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the term of the franchise	3 & 6.2.d	3 years (AM can adjust (typically lengthen, but including shorten) to coincide with renewal cycle of other franchisees in Franchisee's region, but the total 20-year maximum Term including renewals will not be reduced)
b.	Renewal or extension of the term	7 & 8	"Renew" or "extend" means adding time to the current period, typically 3 years, you can operate the licensed business under your franchise agreement, up to a maximum of 20 years. Unless You notify AM in writing, the franchise agreement automatically renews using the then current franchise agreement.
c.	Requirements for you to renew or extend	6.2, 6.3, & 7.3	Be current and in compliance with the Franchise Agreement, including meeting sales quota, filing reports and paying amounts due AM, participate in the Shared Accounts program, and sign new agreement which may contain materially different terms and conditions from your original agreement.
d.	Termination by you	4.11	AM files Bankruptcy or is insolvent, fails to perform its obligations after opportunity to cure or to deliver product within 45 days of opening
e.	Termination by AM without cause	Not Applicable	

f.	Termination by AM with "cause"	7	AM can only terminate for cause
g.	"Cause" defined - curable defaults	7	30 days to cure on your financial problems or failure to: meet quota; file reports or pay amounts due AM; pay debt to AM within 30 days of due date; meet standards; obtain required consent; transfer on death
h.	"Cause" defined - defaults which cannot be cured	7	Repeated defaults; conviction of crime; misuse or impairment of Marks or AM reputation; unacceptable change in your control or management; unauthorized transfer; unauthorized disclosure of proprietary information or conduct of business
i.	Your obligation on termination/non-renewal	7	Complete de-identification, payment of amounts due, return documents, manuals, route books etc. to AM, AM option to purchase products & equipment (see r. below), payment of royalties on any similar or competing business
j.	Assignment of contract by AM	8.1	On notice, to assignee AM believes is willing and able to assume obligations
k.	"Transfer" by you - defined	8.7	Transfer of any actual or beneficial interest in franchise or more than 34% of other than sole proprietorship franchisee
l.	AM approval of transfer by you	8.5	Transferee must meet qualifications for new franchisees & be approved by AM
m.	Conditions for AM approval of transfer	8.5	You must be current in all obligations & pay all debt to AM, pay $10,500 fee, execute release, transferee signs new current form agreement, completes training. A franchise (new or transferred) must be operated for 3 year before it may be transferred
n.	AM's right of first refusal to acquire your business	7.6.k, 7.6.*l*, & 8.5	AM has 30 days to accept offer made to 3rd party on same terms
o.	AM's option to purchase your business	7.5.k. & l.	AM has the option to purchase equipment and supplies or expiration of term, non-renewal, or termination
p.	Your death or disability	7.1.j.	Heirs can inherit if qualified or must transfer to approved transferee, including death of principal officer of other than sole proprietorship franchisee
q.	Non-competition covenants during the term of the franchise	4.8	Prohibits: ownership or affiliation in competing business; hiring AM employees; operation outside of Territory
r.	Non-competition covenants after the franchise is terminated or expires	8.5.h.,i.,j. (7.6.q)	Prohibits competition in Territory or diversion of AM or its franchisees customers. 7.6.q requires payment of royalties on continuation of any similar or competing business
s.	Modification of the agreement	6.6 & 10.5	You must sign new franchise agreement on renewal using AM then current form

t.	Integration/merger clause	10.5	Only the terms of the franchise agreement are binding (subject to state law). Any other promises may not be enforceable. Nothing in the Agreement or in any related agreement is intended to disclaim the representations Aire-Master made in the franchise disclosure document furnished to You.
u.	Dispute resolution by arbitration or mediation	Not Applicable	
v.	Choice of forum	10.14	You submit to litigation in Missouri, subject to applicable state law
w.	Choice of law	10.1	Missouri law applies, subject to applicable state law

18. PUBLIC FIGURES

Aire-Master does not use any public figures to promote its franchise.

19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

Aire-Master does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Walter R. Heinle, President/Chief Operating Officer, P.O. Box 2310, Nixa, Missouri 65714, (417) 725-2691, the Federal Trade Commission, and the appropriate state regulatory agencies.

20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEMWIDE OUTLET SUMMARY FOR FISCAL YEARS ENDING MARCH 31, 2020/2021/2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	108	111	+3
	2021	111	109	-2
	2022	109	116	+7
Company Owned	2020	7	7	0
	2021	7	7	0
	2022	7	7	0
Total Outlets	2020	115	118	+3
	2021	118	116	-2
	2022	116	123	+7

Table No. 2

TRANSFERS OF FRANCHISES FROM FRANCHISEES TO NEW OWNERS (OTHER THAN AIRE-MASTER) FOR YEARS 2020, 2021, AND 2022

State	Year	Number of Transfers
Alabama [10]	2020	0
	2021	0
	2022	0
Alberta, Canada	2020	0
	2021	0
	2022	0
Arizona	2020	0
	2021	0
	2022	0
Arkansas [3]	2020	0
	2021	0
	2022	1
British Columbia Canada	2020	0
	2021	0
	2022	0
California	2020	1
	2021	0
	2022	0
Colorado	2020	0
	2021	0
	2022	0
Delaware [11]	2020	0
	2021	0
	2022	0
Florida [10]	2020	0
	2021	0
	2022	0
Georgia [10]	2020	0
	2021	0
	2022	0
Hawaii	2020	0
	2021	0
	2022	0
Idaho [4]	2020	0
	2021	0
	2022	0
Illinois [5] [12]	2020	0
	2021	0
	2022	0
Indiana	2020	0
	2021	0
	2022	0

Iowa [5, 6, 15]	2020	0
	2021	0
	2022	0
Kansas [5, 7]	2020	0
	2021	0
	2022	0
Kentucky	2020	0
	2021	0
	2022	0
Louisiana [3]	2020	0
	2021	0
	2022	0
Massachusetts	2020	0
	2021	0
	2022	0
Maryland [11]	2020	0
	2021	0
	2022	0
Michigan	2020	0
	2021	0
	2022	0
Minnesota [8]	2020	0
	2021	0
	2022	0
Mississippi	2020	0
	2021	0
	2022	0
Missouri [5, 6, 7]	2020	1
	2021	0
	2022	0
Montana	2020	1
	2021	0
	2022	0
Nebraska [13]	2020	0
	2021	0
	2022	0
Nevada [4]	2020	0
	2021	0
	2022	0
New Jersey [2]	2020	0
	2021	0
	2022	0
New Mexico	2020	0
	2021	0
	2022	0
New York [2]	2020	0
	2021	0
	2022	0

North Carolina	2020	0
	2021	0
	2022	0
North Dakota [8]	2020	0
	2021	0
	2022	0
Ohio [15]	2020	0
	2021	0
	2022	0
Oklahoma	2020	0
	2021	0
	2022	0
Ontario, Canada	2020	0
	2021	0
	2022	0
Oregon	2020	0
	2021	0
	2022	1
Pennsylvania [2]	2020	1
	2021	0
	2022	0
Rhode Island	2020	0
	2021	0
	2022	0
South Carolina	2020	0
	2021	0
	2022	0
South Dakota [13]	2020	0
	2021	0
	2022	1
Tennessee [10]	2020	0
	2021	0
	2022	0
Texas [3]	2020	0
	2021	0
	2022	0
Utah	2020	0
	2021	1
	2022	0
Vermont	2020	0
	2021	0
	2022	0
Virginia	2020	0
	2021	1
	2022	0
Washington	2020	0
	2021	0
	2022	1

Wisconsin [12]	2020	0
	2021	0
	2022	0
Wyoming [9]	2020	0
	2021	0
	2022	0
Total	2020	4
	2021	2
	2022	4

Table No. 3

STATUS OF FRANCHISED UNITS FOR YEARS 2020, 2021, AND 2022

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Re-newals	Re-acquired by AM	Ceased Operations – Other Reasons	Outlets at End of Year
Alabama [10]	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Alberta, Canada	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arizona	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Arkansas [3]	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
British Columbia, Canada	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
California	2020	7	1	0	0	0	1	7
	2021	7	0	0	0	0	0	7
	2022	7	2	0	0	0	0	9
Colorado	2020	9	0	0	0	0	0	9
	2021	9	0	2	0	0	0	7
	2022	7	1	0	0	0	0	8
Delaware [11]	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida [10]	2020	9	2	0	0	0	0	11
	2021	11	0	0	0	0	0	11
	2022	11	0	0	0	0	0	11

Georgia [10]	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Hawaii	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Idaho [4, 9,17]	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Illinois [5, 12]	2020	3	0	0	0	1 [16]	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Indiana	2020	2	0	0	0	0	0	2
	2021	2	0	1	0	0	0	1
	2022	1	0	0	0	0	0	1
Iowa [5, 6, 15]	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Kansas [5, 7]	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kentucky	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Louisiana [3]	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Massachusetts	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maryland [11]	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Michigan	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Minnesota	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Mississippi	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3

Missouri [6, 7, 8]	2020	7	1	1	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Montana	2020	2	1	1	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Nebraska [13]	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Nevada [4]	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
New Jersey [2]	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
New Mexico	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
New York [2, 14]	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
North Carolina	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
North Dakota [8]	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Ohio [15]	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Oklahoma	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Ontario, Canada	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Oregon	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	1	0	0	0	3
Pennsylvania [2, 14, 15]	2020	3	1	1	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3

Rhode Island	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
South Carolina	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
South Dakota [13]	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	1	0	0	0	2
Tennessee [10]	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Texas [3]	2020	9	1	0	0	0	0	10
	2021	10	0	0	0	0	0	10
	2022	10	2	1	0	0	0	11
Utah	2020	4	0	0	0	0	0	4
	2021	4	1	1	0	0	0	4
	2022	4	0	0	0	0	0	4
Vermont	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Virginia	2020	1	0	0	0	0	0	1
	2021	1	1	1	0	0	0	1
	2022	1	0	0	0	0	0	1
Washington	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	1	0	0	0	1
Wisconsin [12]	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Wyoming [9]	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Total	2020	108	9	4	0	1 [16]	1	111
	2021	111	3	5	0	0	0	109
	2022	109	11	4	0	0	0	116

Table No. 4

STATUS OF AIRE-MASTER OWNED OUTLETS
FOR FISCAL YEARS ENDING MARCH 31, 2020/2021/2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Re-acquired from Franchisee	Outlets Closed	Outlets sold to Franchisee	Outlets at End of Year
Arkansas	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Illinois	2020	1	0	0 [17]	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Kansas	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Missouri	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0		0	2
Mississippi	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Oklahoma	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Oregon	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2020	7	0	0 [17]	0	0	7
	2021	7	0	0	0	0	7
	2022	7	0	0	0	0	7

Table No. 5

PROJECTED OPENINGS AS OF MARCH 31, 2022

States	Franchise Agreements Signed But Franchise Not Open	Projected New Franchises In The Next Fiscal Year [1]	Projected Company Owned Openings In The Next Fiscal Year
California	0	1 [16]	0
Colorado	0	1 [16]	0
Total	0	2 [16]	0

1. All numbers for each year are as of Aire-Master's March 31 fiscal year end. No franchisees have failed to communicate within 10 weeks of the filing date.

2. New Jersey and New York franchises contain portions of Pennsylvania.

3. Texas Franchise contains portions of Arkansas and Louisiana.

4. Idaho franchise contains portions of Nevada.

5. Iowa franchise contains portions of Illinois. Missouri franchise contains a portion of Kansas.

6. See Iowa and Missouri.

7. Missouri franchise contains portions of Kansas.

8. Aire-Master services some accounts from Missouri.

9. Idaho franchise contains portions of Wyoming.

10. Georgia franchise contains a portion of Tennessee, Florida, and Alabama.

11. Delaware franchise contains portions of Maryland.

12. Wisconsin franchise contains portions of Illinois.

13. South Dakota Franchise contains portions of Nebraska and Iowa.

14. New York franchise contains portions of Pennsylvania.

15. Ohio franchise contains portions of Pennsylvania.

16. AM of Madison County, Illinois was reacquired by AMA in 2020. That territory was absorbed into the existing Aire-Master territory, and no new company outlet was added.

17. Idaho franchise contains portions of Oregon.

Names, addresses and telephone numbers of current franchises are attached as "Exhibit B1". The name and last known home address of franchisees (i) who have been terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recent fiscal year, or (ii) who have not communicated with Aire-Master within 10 weeks of the application date, is attached as Exhibit B2. Franchises or similar businesses owned by persons listed in Item 2 and their immediate families are attached as Exhibit B3.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Aire-Master. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. Franchisees have signed confidentiality clauses during the last three years.

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

Aire-Master is not aware of any trademark-specific franchisee organization associated with the Aire-Master franchise system being offered.

Aire-Master sponsors a franchisee advisory council as a communication link and to improve relations between franchisees and Aire-Master. The council is advisory only without control or veto over decisions. The council includes 4 Aire-Master personnel and 1 representative from each of franchise region, currently 6. Aire-Master appoints franchisee members for 2 years terms, and they may serve consecutive terms. Aire-Master or the council may remove members who do not fulfill their obligations. The council reviews and discusses new sales methods and / or products, time and money saving ideas, issues affecting the System and possible solutions. Occasionally, the council calls on other employees, franchisees, or outside experts for information or input.

21. FINANCIAL STATEMENTS

Attached as "Exhibit C" are the following financial statements for each of the three prior fiscal years ending March 31, including audited profit and loss statements to Aire-Master's last fiscal year end:

A. Audited "Independent Auditors' Report" as of March 31, 2022, and March 31, 2021 (report covering two years);

B. Audited "Independent Auditors' Report" as of March 31, 2021, and March 31, 2020 (report covering two years).

22. CONTRACTS

The following contracts are attached:

Exhibit A1: Aire-Master of America Franchise Agreement (and Illinois, Maryland, and North Dakota state specific addendums);
Exhibit A2: Promissory Note;
Exhibit A3: Security Agreement;
Exhibit A4: UCC Financing Statement;
Exhibit A5: Guaranty by Individual.
Exhibit A6: Deed of Trust;
Exhibit A7: Release and Consent to Transfer Agreement; and
Exhibit A8: Designated Persons / Patriot Act Affidavit.
Exhibit A9: Franchise Fee Deposit Agreement
Exhibit A10 Franchise Agreement Amendment for Qualifying Existing Franchises Developing Additional Territory – Deferred Franchisee Fee Payment
Exhibit A.11 Franchise Agreement Amendment for Qualifying Existing Franchises Developing Additional Territory – Option to Continue after Initial Two-Year Term
Exhibit A.12 Franchise Agreement Amendment – Miscellaneous (add/remove franchisee / revise Territory)

23. RECEIPTS

Two receipts acknowledging your receipt of this disclosure document are attached at the end of this disclosure document as the last pages. Please return one receipt to us and retain the other for your records.

0009-003.17\962863.docx

EXHIBIT A.1

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FRANCHISEE'S FRANCHISE AGREEMENT
OF
AIRE-MASTER OF AMERICA, INC.

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EXHIBIT A.1
FRANCHISE AGREEMENT
OF
AIRE-MASTER OF AMERICA, INC.

THIS AGREEMENT, made this _____ day of _____ 202__, by and between Aire-Master of America, Inc. ("Aire-Master"), a Missouri corporation, having its principal place of business at 1821 N. Hwy CC, Nixa, Missouri, with mailing address of P.O. Box 2310, Nixa, Missouri 65714 (hereinafter referred to as "Aire-Master") and _____, a _____ (sole proprietorship/corporation/ partnership), dba Aire-Master of _____, _____ (address) ("Franchisee"), and _____ and _____, _____ (address) (individually "Guarantor" or collectively "Guarantors"), who are individually guarantying performance by Franchisee.

The registered agent for service of process against Aire-Master in the state of _____ is _____, and the address of said registered agent is _____.

WHEREAS, Aire-Master is the manufacturer, owner and operator of an odor control, scent marketing, and commercial hygiene service system and products utilized therein; and

WHEREAS, Franchisee desires to be appointed as the exclusive sales representative for the Aire-Master System (see below) for the Territory (see below).

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS The following terms shall have the meaning set forth below in this Agreement.

1.1 "Aire-Master System" or "System" means operational concepts and methods, forms, manuals, and other literature, products, patents, copyrights, trade secrets, the identification schemes, standards, specifications, training procedures, advertising and marketing programs, methods, formats, operating procedures and other concepts etc.;

1.2 "Anniversary Date" means the first day of the initial term of this Agreement specified in Section 2.3;

1.3 "Anniversary Day" means the calendar month and day for the first day of the initial term of this Agreement specified in Section 2.3;

1.4 "Authorized Name" means "Aire-Master of _____."

1.5 "Computer Software" means Aire-Master's proprietary computer software;

1.6 "Computer Equipment" means the computer and peripherals required to be purchased by Franchisee listed and meeting certain specifications in Schedule A;

1.7 "CPI" means the Consumer Price Index for All Urban Consumers-All Items, as published by the United States Government Printing Office, and prepared for the Joint Economic Committee by the Council of Economic Advisors, or if unavailable, by its equivalent to be selected by Aire-Master;

1.8 "Designated Shareholder" means that person or persons who are required in the individually or in aggregate to maintain minimum ownership and controlling interest in any entity granted an Aire-Master Franchise if other than a sole proprietorship, including partner in a partnership, member in a limited liability company or otherwise. Those person(s) and the percentage interest required of each is/are _____;

1.9 "Designated Principal Executive Officer" means the person or persons each of who must remain in office and effective control of Franchisee's operation if Franchisee is other than a sole proprietorship, and includes the comparable positions if there are no officers, for example, only the managing member of a limited liability company, or trustee of a trust. Those person(s) is/are _____;

1.10 "Franchise Agreement" or "Agreement" means this agreement;

1.11 "GAAP" means generally accepted accounting principles;

1.12 "Gross Service Billings" means all sales and receipts by Franchisee, including gross charges for labor, equipment, products, leases, or rental agreements from the Aire-Master System;

1.13 "Licensed Franchise Operation" means the franchise operated by Franchise according to the System under the license granted by this agreement;

1.14 "Operations Manual" means the manual containing mandatory and suggested specifications, methods, standards and procedures for the System;

1.15 "Proprietary Mark" or "Mark" means trade names, trademarks, service marks, trade dress, copyrights, logos, commercial symbols, insignia, decals, Aire-Master's signature, or monogram etc., collectively "Proprietary Marks" or "Marks";

1.16 "Principal Shareholder" means that person or persons (including aggregate interest of spouses) who directly or indirectly have 5% or more legal, beneficial or controlling interest, in any entity granted an Aire-Master Franchise, and if any such entity is other than a sole proprietorship, including partner in a partnership, member in a limited liability company or otherwise;

1.17 "Royalty" means the recurring percentage of Gross Services Billings fee paid by Franchisee to Aire-Master;

1.18 "Term" means the initial term of this Agreement, and any renewal term, if applicable, as provided in Sections 2.3 and 6, except as specifically stated;

1.19 "Termination" means the termination of this Agreement and the rights granted by expiration of the Term, termination or non-renewal, by Aire-Master or Franchisee, voluntarily or involuntarily, regardless of cause, except as specifically stated;

1.20 "Territory" means the geographic area specified in Schedule B, attached to the Agreement and incorporated herein by reference. Schedule B shall include a map of the exclusive territory.

2. APPOINTMENT

2.1 Franchisee shall be the sole and exclusive authorized independent contractor for the sale of the Aire-Master products specified in Schedule A and services according to the System in the Territory. See provisions for Aire-Master to service National accounts if Franchisee fails to do so at Section 4.12. Franchisee has no option, right of first refusal, or similar rights, to purchase or acquire additional territory. Franchisee shall purchase the items specified in Schedule A required for operation of the Licensed Franchise Operation from Aire-Master or third parties as required by this Agreement.

2.2 Franchisee accepts such appointment and agrees to use its best efforts to sell the specified products and services as required by this Agreement;

2.3 The initial term of this Agreement begins _____ ___, 202__, and continues through _____ __, 202__, with successive Franchisee options to renew for additional successive three (3) year terms through a final termination date of _____, 20___, as limited by this Agreement;

2.4 This Agreement does not create a fiduciary relationship between Aire-Master and Franchisee;

2.5 Franchisee shall be an independent contractor:

a. Neither Franchisee or any of its employees shall be deemed or construed to be an employee, servant, agent, legal representative, subsidiary, joint venturer or partner of Aire-Master. Franchisor is not responsible for franchisee's employment decisions, and Franchisee will make all decisions on hiring, firing, promoting and disciplining employees. All of Franchisee's employee forms shall name franchisee as the employer.

b. Neither Franchisee nor its employees shall be entitled to the benefits as an Aire-Master employee, for example only, workmen's compensation, group insurance, vacation, pension plan, or unemployment insurance.

c. During the Term Franchisee shall hold itself out to the public as an independent contractor operating the Licensed Franchise Operation pursuant to this Agreement. Franchisee agrees to take any affirmative action necessary to do so, as Aire-Master may specify in writing.

2.6 Franchisee is not authorized to and shall not make any contract, agreement, warranty or representation on Aire-Master's behalf, or incur any debt or other obligation in Aire-Master's name. Aire-Master shall not assume liability for, or be deemed liable as a result of any action, act or omission of Franchisee or any claim or judgment against Franchisee from its conduct of the Licensed Franchise Operation. Franchisee agrees to indemnify and hold Aire-Master harmless against all liabilities, claims etc. from Franchisee's operation of the Licensed Franchise Operation, together with all costs of defending against them, including attorney's fees. However, Franchisee shall not be required to indemnify for any claims from a breach of this Agreement by or other civil wrongs of Aire-Master.

2.7 Aire-Master may develop and market new products or services directly or indirectly without offering Franchisee the marketing opportunity, or grant general and limited marketing rights to third parties or certain franchisees without offering identical or similar rights to Franchisee and/or other franchisees.

2.8 Aire-Master represents that to its knowledge it is the exclusive owner of all right, title and interest in and to the Marks and the System.

2.9 Franchisee acknowledges Aire-Master's ownership and validity of the Marks and the System and expressly covenants that during the Term and after Termination it shall not directly or indirectly contest or aid in contesting the ownership or validity of the Marks or the System, or take any other action in derogation of the Marks or the System.

3. RIGHTS AND DUTIES OF FRANCHISEE

3.1 Unless otherwise specified, the term "Franchisee" as used in this Section 3 shall include, collectively and individually, all officers, directors, general partners, limited partners, members and other holders of five (5%) percent or more of the legal or beneficial interest of Franchisee. "Franchisee" shall also include any of the above parties relative to any corporation or other entity directly or indirectly controlling Franchisee.

3.2 During the Term Franchisee shall maintain the sales and service facilities, equipment and supplies needed to adequately sell Aire-Master's products and provide the services covered by this Agreement in conformity with uniform methods, standards and specifications required by Aire-Master. Aire-Master may issue or revise methods, standards and specifications from time to time in writing to insure that the highest degree of quality and service is uniformly maintained. Franchisee shall devote its best efforts to develop the business, promote sales and obtain orders for Aire-Master products and services under the System throughout the Territory.

3.3 Except as otherwise approved in writing by Aire-Master, during the Term Franchisee shall (and shall require its Designated Principal Executive Officers(s) and designated managers to) devote full time, energy and best efforts, to the management and operation of the Licensed Franchise Operation.

3.4 Franchisee shall pay all of its own expenses to operate its business, for example only, rent, telephone, wages and/or commissions, and be exclusively liable for the payment of all taxes, contributions, or other sums payable for unemployment compensation or insurance, old age retirement benefits, and all other Federal, State, and local payroll taxes payable by reason of employment of any person by it.

3.5 Franchisee shall employ and compensate persons on conditions it deems proper to operate the Licensed Franchise Operation.

a. All persons employed by Franchisee in connection with the Licensed Franchise Operation shall be Franchisee's employees and not Aire-Master employees. Franchisee will make all decisions on hiring, firing, promoting and disciplining Franchisee's employees. Aire-Master is not responsible for Franchisee's employment decisions Franchisee shall pay and be solely liable for any taxes or contributions levied by any State or Federal law on payrolls of or employment by Franchisee, and Aire-Master shall not be liable for such charges.

b. Franchisee shall have a written contract with such persons containing a provision that they are the employees of Franchisee, are to be paid by him alone, and that Franchisee is acting individually and not as an agent or attorney for Aire-Master.

c. Franchisee shall require its employees and or independent contractors to execute a non-compete and non-disclosure agreement complying with applicable law. Franchisee must provide a copy of non-compete agreements to Aire-Master. The agreement will at a minimum prohibit competition for one (1) year from an employee's termination for any reason within the geographic area the employee served on behalf of Franchisee. The agreement will also prohibit disclosure of Aire-Master proprietary information with no limit on time or geographic area.

3.6 Franchisee shall:

a. Make itself, its managerial and supervisory staff and employees available for such training as Aire-Master deems necessary, including a minimum of five (5) days at Aire-Master's main office. Franchisor training of Franchisee's non-manager employees is not required. Aire-Master does not require Franchisee's non-manager and non-supervisory employees to attend Aire-Master provided training. Franchisee shall pay all expenses incurred in training other than initial training, for example only, the cost of travel, room, board, and wages;

b. Make itself, its managerial and supervisory staff, and its employees available for additional training or other assistance on a routine basis or as requested by Aire-Master. Aire-Master will pay the representative's salary, but Franchisee shall pay the representative's travel, meal and lodging expenses, which Aire-Master has the right to set as a per diem fee;

c. Sell or offer for sale all approved products and services;

d. Advertise the products and services under the trade name and or Marks, as authorized by Aire-Master and use all such sales forms, records, advertising, and printed matter as may be furnished by Aire-Master;

e. Permit Aire-Master or its agents to enter Franchisee's business premises at any reasonable time to conduct inspections;

f. Permit Aire-Master to remove without payment samples of any inventory items in amounts reasonably necessary for testing by Aire-Master or an independent, certified laboratory, to determine whether said samples meet Aire-Master's then current standards and specifications;

g. Maintain a clean and safe place of business in compliance with all applicable laws, and with Occupational Safety and Health Act standards and conduct Franchisee's operation on sound business principles;

h. Be solely responsible for the services and results of such services performed by Franchisee, with such responsibility remaining a continuing obligation beyond Termination;

i. Give Aire-Master and those acting under its authority the right to reasonably and fairly use Franchisee's name, photograph or biographical material in any publication, circular or advertisement related to the Aire-Master's business or Franchisee, in any place for an unlimited period, without compensation;

j. Purchase the Computer Equipment, and install and use the Computer Equipment and Computer Software in the Licensed Franchise Operation;

k. Maintain internet access, including an e-mail account, which may be through a local internet service provider ("ISP") or on-line service, and an internet e-mail account.

l. Comply with all other requirements in this Agreement, the Operations Manual and as otherwise by Aire-Master in writing.

3.7 Franchisee shall only use products or materials or perform services approved by Aire-Master with the System, and shall not use specified products or materials except in operation of the Licensed Franchise Operation.

a. Franchisee shall purchase adequate quantities of items specified on Schedule A or otherwise specified by Aire-Master in writing for use with the System to satisfactorily supply the demands of customers within the Territory. Franchisee shall purchase the items only from Aire-Master, another Aire-Master franchisee, or a person licensed or approved by Aire-Master to manufacture and sell the items to its franchisees. Aire-Master may amend or supplement the list of specified products or services and Franchisee is required to offer such products and services.

b. Franchisee may purchase equipment, supplies and other products and materials not listed on Schedule A and required for the operation of the franchised business from Aire-Master or suppliers who demonstrate to Aire-Master's continuing reasonable satisfaction the ability to meet standards and specifications established by Aire-Master from time to time, and who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably. Aire-Master agrees to furnish to any prospective supplier the manufacturing specifications for these products and supplies.

c. Franchisee shall not resell any article, product, or part of the System, or any other items bearing Aire-Master's Marks except sales for use in connection with the System by Franchisee or a person holding an Aire-Master franchise. Subject to Aire-Master's revocation of consent, which Aire-Master may exercise in Aire-Master's sole discretion, You may sell or market goods and services unrelated to, or not specifically identified as part of, the Aire-Master System. But, You may not sell or market goods or services unrelated to the Aire-Master System using Aire-Master's Marks. For example, use of Aire-Master's Marks includes using vehicles bearing Aire-Master Marks, or through service persons wearing clothing bearing Aire-Master Marks. You must cease sales and marketing of goods or services unrelated to the Aire-Master System `immediately on receipt of notice from Aire-Master. You must report in Gross Income and pay royalties on all sales of goods or services of goods or services either: (i) for odor control, scent marketing, hygiene or cleaning, or similar, goods or services; or (ii) to customers of the Aire-Master System. You may not offer goods or services for odor control, scent marketing, hygiene or cleaning, or similar goods or services except as part of the Aire-Master System and that are reported in Gross Receipts subject to royalties.

d. Franchisee shall accept and pay for all shipments of products on terms and at prices as from time to time specified by Aire-Master. Each shipment shall constitute a separate sale.

e. Aire-Master is not liable for delay in manufacturing or delivering any products referred to in this Agreement if due to fires, strikes, disputes with workmen, delays in transportation, governmental demands or requirements, or any causes beyond Aire-Master's control. The existence of any such cause or causes of delays shall extend the time of Aire-Master's performance by the time or times measured by the cause or causes of delay.

3.8 During the Term Franchisee shall not:

a. Own, maintain, engage in, be affiliated with, assist, or have any interest in any odor control or service business similar to, or competing in any manner with the System. Aire-Master shall have the right in determining whether competition or similarity exist;

b. Divert or attempt to divert directly or indirectly any business or customer of the Licensed Franchise Operation to any competitor, or do or perform directly or indirectly any other act injurious or prejudicial to the goodwill associated with the Marks and System;

c. Solicit for employment by Franchisee any person who is at that time employed by Aire-Master or otherwise directly or indirectly to induce such person to leave Aire-Master's employ. This limitation does not prevent Franchisee from employing such persons who initiate or request Franchisee to employ them.

3.9 During the Term or after Termination Franchisee shall not distribute, sell, or in other ways make commercial or noncommercial use of the products or services offered for sale by Aire-Master or making up a part of System beyond the Territory without Aire-Master's express written permission. Aire-Master has the right to grant such permission in Aire-Master's sole and exclusive discretion and any violation of this paragraph shall be grounds for termination as provided in this Agreement.

3.10 During the Term, and after termination of the franchise agreement during any non-competition or non-solicitation or similar period as provided herein, Franchisee shall not directly or indirectly create or maintain an individual web site, newsgroup, forum or any other on-line presence (except e-mail), or sell products or services over the internet, or engage in electronic commerce, including business-to-business and business-to-consumer sales, which are part of or similar or competing with the Aire-Master System. Aire-Master shall have right to determine whether competition or similarity exist. Aire-Master reserves the right for itself to use or publish information regarding Aire-Master or the Aire-Master System in any medium, including electronically through the internet or otherwise, and to conduct all electronic commerce, including business-to-business and business-to-consumer sales.

3.11 Franchisee is licensed to use Aire-Master's intranet and publicly accessible web site, each accessed through the internet, if such is maintained by Aire-Master, on the terms and conditions as provided herein and as are incorporated in the Operations Manual or a separate Internet Agreement or Manual, which terms Aire-Master has the right to modify from time to time in Aire-Master's sole discretion. Use of the Aire-Master intranet is a privilege and Aire-Master has the right to limit, suspend or terminate Franchisee's license to use the intranet in Aire-Master's sole discretion. Terms of use may include access procedures and authorized users, downloading and submission procedures, decorum, rules regarding communication with third parties such as responsiveness and courtesy, prohibition against spamming (sending unsolicited e-mail), defamatory statements, copyright infringement, linking permissions and privacy policies regarding the collection and use of information, and circumstances under which a Franchisee's privilege of use of the intranet and web sites may be limited, suspended or terminated, and such other matters as Aire-Master in its sole discretion deems advisable and or appropriate. Aire-Master is the owner of all intellectual property (domain name, "look and feel", object and source code, graphics, images, trade dress, trademarks and copyrights) and information collected or gathered vis-a-vis the web site, including customer information. Information submitted by Franchisees for inclusion on the intranet or publicly accessible web site shall become the property of Aire-Master, and Franchisee by such submission grants to Aire-Master a perpetual license to use any property in which

Franchisee has any protectable interest. Aire-Master may monitor e-mail or communications on any chat board, bulletin board, etc., and no such communications are private. Franchisee shall not copy, print, quote, extract, e-mail, store, save on a local computer or otherwise except incidental copies which are required for the technological performance of the intranet provided Franchisee does not store or otherwise store or copy such data (i.e., data back-ups), or reverse engineer any portion of the intranet or Aire-Master's publicly accessible web site, nor upload any virus, Trojan horse, mole, worm or other harmful element, and Franchisee agrees to indemnify and hold Aire-Master harmless therefrom. Aire-Master disclaims any representation or warranty, including implied or fitness for a particular purpose, as to the functionality, including hours of operation and accessibility or minimum downtime, of the intranet or web site or the content thereof or links to or from third parties or their web sites, shall not be liable to Franchisee or any other person for their use or any other persons use of the intranet or web site. Aire-Master disclaims any representations or warranties as to the functionality of the intranet and or the content thereof. Maintenance of secrecy of the Franchisee's password is Franchisee's responsibility and Franchisee acknowledges that maintaining such secrecy is of particular importance to the System and trade secrets of Aire-Master. Use of the intranet constitutes acceptance of the terms and conditions.

3.12 Franchisee shall attend the annual Franchisee Convention and pay the associated expenses, for example, transportation, meals and lodging, cost of meeting facilities and wages or salary for any of Franchisee's employees who attend. Aire-Master may establish a set fee for the cost of the conference, including those expenses Aire-Master deems advisable, and may require Franchisee to pay an allocable portion of such costs monthly, quarterly, or semi-annually. Aire-Master may charge a set fee payable monthly or quarterly (currently, $1,500 annually, $375 quarterly), including attendance, hotel room charge for the conference days and certain meals designated by Aire-Master, for up to two persons, but not including your travel expenses.

3.13 Franchisee shall obtain prior to providing the licensed services, maintain in full force and effect continuously during the Term; and pay all expenses for insurance coverage as specified below ("Required Insurance"). Aire-Master reserves the right to supplement the specifications below for all franchisees from time to time in writing, and Franchisee shall be required to revise its coverage or obtain additional coverage.

a. Required Insurance:

i. Bonding of Franchisee's employees for a minimum of Ten Thousand Dollars ($10,000.00) for theft of franchisee's property and/or money (Coverage is also available to bond for theft of customer's property).

ii. Workmen's Compensation and Occupational Disease insurance required by statute or rule for the state(s) where Franchisee operates the Licensed Franchise Operation;

iii. Commercial General Liability insurance covering Franchisee for any loss, liability, personal injury, death or property damage or expense from or in connection with the Licensed Franchise Operation. Minimum limits are $500,000 per occurrence; $1,000,000 products/completed operations aggregate; $1,000,000 general aggregate. Limits recommended are One Million Dollars ($1,000,000.00) per occurrence; Two Million Dollars ($2,000,000.00) products/completed operations aggregate; Two Million Dollars ($2,000,000.00) general aggregate.

iv. Property coverage subject to direct physical damage including theft, vandalism, and malicious mischief.

v. Automobile liability coverage for owned, hired and non-owned vehicles, with a minimum limit of One Million Dollars ($1,000,000.00) combined single limit.

b. Policies shall be written by an insurer satisfactory to Aire-Master or an Aire-Master agent. The company must have an A.M. Best's rating of at least A VII.

c. Franchisee shall name Aire-Master, its officers, directors, employees and agents as an additional insured under the Required Insurance on a primary basis.

d. The Required Insurance shall contain a provision requiring Thirty (30) days advance written notice to Aire-Master prior to cancellation.

e. Franchisee shall furnish Aire-Master with a certificate of insurance as proof of coverage.

f. Franchisee's obligation to obtain and maintain insurance is not limited or reduced by any insurance maintained by Aire-Master, and Franchisee's performance of the obligation to obtain and maintain insurance does not relieve it of liability under the indemnity provisions in Section 2.6 of this Agreement.

g. If Franchisee fails to procure or maintain the insurance for any reason, or to provide proof of coverage to Aire-Master, Aire-Master has the right at its option but not the obligation to procure insurance. If Aire-Master obtains insurance Franchisee shall pay Aire-Master immediately upon notice for the cost of insurance and a reasonable fee for Aire-Master's expenses in procuring the insurance.

3.14 Franchisee's organization and operation as a corporation (including incorporation of Franchisee's existing Licensed Franchise Operation) shall be conditioned on the following requirements:

a. The Designated Shareholder shall remain the legal and beneficial owner(s) of not less than sixty-six (66%) percent of the total voting capital stock (or other manner or evidence of ownership and control, as applicable), during the Term, with the effective unencumbered right to vote said stock and or otherwise exercise control. The loss or surrender of said ownership, effective unencumbered right to vote said stock, or otherwise control the corporation by any means whatever, shall constitute a breach of the terms of this Agreement.

b. The Designated Principal Executive Officer shall remain the principal executive officer(s) in charge of corporation's operations during the Term.

c. Franchisee's directors, principal executive officers, and shareholders (shareholders with 5% or greater interest) shall at all times be personally bound by the terms of this Agreement, and Franchisee shall not transfer an interest in Franchisee to or employ any person or entity until they have agreed in writing to be personally bound;

d. Each stock certificate of Franchisee shall be conspicuously endorsed upon its face with a statement satisfactory to Aire-Master that the stock is held subject to, and that any assignment or transfer of the stock is subject to, all restrictions imposed upon transfers or assignments by this Agreement. Franchisee shall maintain stop transfer instructions against the transfer on its records of any securities with voting rights or evidencing ownership interest and shall not issue securities unless they bear substantially the following legend conspicuously and legibly on the face thereof:

> "The transfer of this stock is subject to the terms and conditions of a Franchise Agreement with Aire-Master of America, Inc. Reference is made to the provisions of the Franchise Agreement and the Articles and By-Laws of this Corporation";

e. Certified copies of Corporate Franchisee's Articles of Incorporation, By-laws, other governing documents, and Board of Directors resolutions authorizing the corporation to enter into this Agreement, shall be promptly furnished to Aire-Master;

f. If Franchisee is an individual or a partnership and wishes to incorporate, Franchisee shall obtain Aire-Master's prior written approval for transfer of the rights and duties hereunder to the new

corporation, and otherwise comply with the requirements of this Agreement to operate as corporation. Aire-Master shall transfer the franchise for no additional charge for the remainder of the term in accordance with the provisions of Sections 8.2 to 8.6, provided that the entity assumes all duties of Franchisee and be bound.

3.15 Franchisee's organization and operation as any entity other than a sole proprietorship, for example, a partnership, limited partnership, limited liability company, trust etc. (including change of form of organization of Franchisee's existing Licensed Franchise Operation) shall be conditioned on requirements comparable to those applicable to corporations at Section 3.14 above.

3.16 Franchisee shall promptly pay when due all taxes levied or assessed, for example only, unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Licensed Franchise Operation. If Franchisee has a bona fide dispute as to liability for taxes assessed or other indebtedness, it may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale, seizure by levy of execution or similar writ or warrant, or attachment by a creditor to occur against the assets and or premises of the Licensed Franchise Operation or any improvements thereon.

3.17 Franchisee shall comply with all federal, state and local laws, rules and regulations, and timely obtain all permits, certificates or licenses necessary for the full and proper conduct of the Licensed Franchise Operation, for example only, licenses to do business, fictitious name registration, sales tax permits, and fire clearances.

3.18 Franchisee may freely set prices and discounts on Franchisee's services or products, except as provided in this Agreement for national accounts negotiated for by Aire-Master on franchisee's behalf, and Franchisee agrees to pay Aire-Master's National/Shared Account current rates for the processing fee (currently 2%) and commission (currently 10%), currently totaling 12% (see Section 4.12).

3.19 Franchisee understands and acknowledges that all details of the System are important to Franchisee and Aire-Master in order to develop and maintain high and uniform standards of quality and service and protect and enhance Aire-Master's reputation and goodwill. Franchisee shall comply with any quality standards that Aire-Master from time to time sets with regard to the appearance and use of the Marks and licensed products and services, and warrants that all licensed products and services bearing the Marks shall be of a nature consistent with the high standards of quality and excellence established over the years with respect to the Marks. Franchisee's right and authorization to use the Marks is non-exclusive and limited as provided in this Agreement. Franchisee's rights and duties regarding Marks shall be as follows:

a. Franchisee may use only those Marks designated by Aire-Master in Schedule C or otherwise in writing, and only in connection with operation of the System. Franchisee agrees to provide and advertise the System only under the Marks designated by Aire-Master. No other Marks now existing or yet to be developed or acquired by Aire-Master may be used by Franchisee unless authorized in writing by Aire-Master. Franchisee's right to use any designated Mark may be terminated by Aire-Master upon written notice. Aire-Master shall not be liable for any expense of Franchisee in terminating use of any Mark;

b. Franchisee's use of the Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest, except the non-exclusive and limited right of use herein granted, in and to the Marks;

c. Aire-Master has and retains the rights among others:

i. To grant other licenses for the Marks in addition to those licenses already granted to existing franchisees;

ii. To use the Marks in connection with the sale of goods and products manufactured or distributed by Aire-Master at wholesale or retail;

iii. To participate in, develop and establish other Systems for the same Marks or similar or any other marks, and to grant licenses thereto without providing Franchisee any rights;

d. All goodwill associated with the Marks, and the System inures exclusively to Aire-Master's benefit;

e. Franchisee shall:

i. Adopt and use the Marks solely in the manner required by Aire-Master;

ii. Observe all requirements for the service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Aire-Master may direct in writing from time to time;

iii. Use, promote and offer for sale under the Marks only those goods and services which meet Aire-Master's required standards and specifications, as they may be revised and amended by Aire-Master from time to time in writing;

iv. Execute all documents requested by Aire-Master or its counsel that are necessary to obtain protection for the Marks or to maintain their continued validity or enforceability.

v. Refrain from using any Mark alone or together with any other word or symbol, or in any way in connection with the Licensed Franchise Operation, except in the manner and to the extent Aire-Master specifically directs, approves or consents to in writing;

f. Any unauthorized use of the Marks, including use of the Marks in connection with any program other than the System, shall constitute an infringement of the Marks and Aire-Master's rights therein. Accordingly, Franchisee expressly agrees:

i. not to use the Marks for any program except as expressly authorized in writing;

ii. not to commit or aid in committing any act of infringement or misuse or aid in committing any act of infringement or misuse of the Marks, either during the Term after Termination;

iii. to report any such infringement to Aire-Master; and

iv. assist Aire-Master in protecting the Marks;

g. Franchisee shall not use, hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in a manner as could reasonably result in making Aire-Master liable therefor without Aire-Master's prior written consent;

h. Franchisee shall not use, directly or indirectly, in whole or in part, Marks now or hereafter owned by Aire-Master, as part of Franchisee's corporate, legal or business name without Aire-Master's prior written consent.

i. Franchisee shall operate its Licensed Franchise Operation using the Authorized Name or such other designation as shall be approved by Aire-Master in writing. Franchisee shall prominently display the Authorized Name on all forms, stationery, and other materials used in connection with the Licensed Franchise Operation, and shall obtain such fictitious name registration as may be required by applicable laws in the Territory. Franchisee agrees that all forms and stationery shall prominently include the phrase, "An independent Franchisee of Aire-Master of America, Inc."

j. On Termination or upon Aire-Master's written request during the Term, whether or not Aire-Master had previously consented approved or directed such use, Franchisee shall delete and discontinue all use of any Marks in connection with the Licensed Franchise Operation or any other

business. Franchisee shall not use the words "Air", "Aire" or "Master" alone or in combination with other words, or any name or mark so nearly resembling any Aire-Master name, Mark, or part thereof, which in Aire-Master's sole judgment may be likely to confusion or lead to uncertainty on the part of the public, during the Term or after Termination.

k. On Termination no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or Marks, and Franchisee shall bear all expense in disassociating itself from the Marks.

4. AIRE-MASTER'S RIGHTS AND DUTIES

4.1 Aire-Master shall not establish a company owned business or another franchisee using the Marks or another trade name or trademark for the specified products or services within the Territory, but may do so for other products or services, including similar products or services and or products or services within the same market. Aire-Master may sell similar products to those specified for the franchised system under the trade name "EsScents" or under private label to others, including distributors, who use and or resell these products to others, some of whom may be competitors of franchises, and may use and or sell those products within the Territory. Aire-Master may market certain products and services on a national or regional basis, directly or through certain franchisees, without your consent, without offering you those rights, and without compensation to you, using either the Marks or other trade mark or trade name. Aire-Master will transfer to Franchisee any accounts for the Licensed Franchise Operation it has from prior operation of a company or franchise operation within the Territory. Aire-Master makes no covenants regarding market competition. See provisions for Aire-Master to service National accounts if Franchisee fails to do so at Section 4.12.

4.2 Aire-Master will provide up to five days training at Aire-Master's home office in Nixa, Missouri to Franchisee owner, its managerial and supervisory personnel who Aire-Master deems necessary, and a reasonable number of employees. There shall be no additional charge to Franchisee for this training. Aire-Master will pay all travel, lodging, meal and living expenses of up to two Franchisee personnel.

4.3 Aire-Master will send a representative to provide up to five days initial training at Franchisee's territory to Franchisee owner, its managerial and supervisory personnel who Aire-Master deems necessary, and a reasonable number of employees. There shall be no additional charge to Franchisee for this training.

4.4 Aire-Master will allow Franchisee or its employees access to training sessions given other new franchisees as given and if space for additional participants is available, but Aire-Master reserves the right to charge a fee for additional training. Franchisee must pay all travel, lodging, meal and living expenses of Franchisee personnel for additional training after the initial training;

4.5 Aire-Master will loan Franchisee a copy of the Operations Manual containing mandatory and suggested specifications, methods, standards and procedures. This manual is confidential and remains our property. Aire-Master may modify this manual, including specifications, methods, standards, procedures, products and services, but modification will not alter your status and rights under the Franchise Agreement. Aire-Master will furnish a copy of all modifications. Franchisee shall return the Operations Manual to Aire-Master on Termination, and delete or destroy all copies in Franchisee's possession.

4.6 Aire-Master will permit Franchisee to use Aire-Master's proprietary web based on-line Computer Software which coordinates and facilitates route scheduling, handles invoices and statements (including sales tax calculation), account receivable ledger and aging report, and calculates commissions and royalty, sales tax reports, and General Ledger. Payroll is currently not included in the Computer Software, but Aire-Master may add these modules in the future. Franchisee shall use the Computer Software in operations of the Licensed Franchise Operation. There is no separate charge for Franchisee's use of the Computer Software. The Computer Software cannot be acquired from other sources. Franchisee shall cease to have the right to use or access to the Computer Software to Aire-Master on Termination. Aire-

Master has access to Franchisee's information input into or stored in the Computer Software, and may use Franchisee's information in conducting Aire-Master's business in Aire-Master's discretion.

4.7 Information submitted by Franchisees for inclusion on the intranet or publicly accessible web site shall become the property of Aire-Master, and Franchisee by such submission grants to Aire-Master a perpetual license to use any property in which Franchisee has any protectable interest. See also Section 3.11, above, for additional provisions.

4.8 Aire-Master reserves the right to maintain a list of goods subject to specifications other than the Aire-Master System, a list of approved suppliers, and criteria for approving suppliers. This may include minimum standards for delivery, performance, warranties, design, appearance, local zoning, adequate quality control and capacity to supply Franchisee's needs promptly and reliably and other restrictions. Aire-Master may require evidence of compliance, for example: submission of specifications, photographs, drawings, other information and samples; testing of specimen items; and, on-site inspection of manufacturing or other facilities. Aire-Master may charge a fee for approval review, whether approved or not, based on the costs and expenses incurred, including Aire-Master's internal and overhead costs. Aire-Master may revoke approval based on failure to meet specifications or standards. Aire-Master will set specifications or approve suppliers in writing, available to you on request. You may notify Aire-Master in writing if you want to purchase items or use suppliers not yet approved.

4.9 Aire-Master shall furnish Franchisee with sales promotional aids which Aire-Master has available from time to time for nationwide distribution in connection with the sale of the products covered by this Agreement, for example, price and data books, sales plans, circulars, advertising suggestions, cuts, printed commercial and technical information, and other publications. Aire-Master shall not charge Franchisee for any sales promotional aids without advance notice and opportunity to refuse material except Aire-Master may require annual purchases for which a reasonable charge will be made not to exceed Two Hundred Fifty and NO/100's Dollars ($250.00) which cannot be refused.

4.10 Aire-Master will assist Franchisee in preparing Franchisee's publicity programs and generally cooperate to enable Franchisee, acting with proper facilities and efforts on its own part, to carry out satisfactorily Franchisee's obligations under this Agreement. Assistance may include mandatory visits by Aire-Master's franchise representative to Franchisee's home office for routine or requested training or other assistance. Aire-Master shall pay such representative's salary, and Franchisee shall pay the representative's travel, meal and lodging expenses, for which Aire-Master may charge a set per diem rate.

4.11 Aire-Master has the right at all times with or without advance notice to change prices, discounts and conditions applicable to the sale of its products under this Agreement, or to withdraw or supersede any one or more of the individual types or models of products or services specified or referred to in Schedule A or otherwise. Aire-Master shall notify Franchisee of any changes by new or superseding handbook and discount sheets or other written document customarily used by Aire-Master.

4.12 Aire-Master has the right to negotiate on Franchisee's behalf with Shared accounts having locations in the Territory. Aire-Master may negotiate all terms including centralized billing and collection, prices, and services to be provided. Franchisee and all other franchisees must service the accounts on the terms negotiated by Aire-Master. If Aire-Master performs centralized invoicing and collection services it may charge a maximum processing fee, or escrow fee, of Four per cent (4%). Aire-Master may but is not required to pursue collection of delinquent Shared accounts with centralized billing and collection by Aire-Master, and any and all costs of collection, including attorney fees, shall be retained proportionately from collected amounts due Franchisee and other franchisees on the delinquent account. Aire-Master shall forward all amounts collected on Franchisee's behalf, less any processing fee or collection cost, within Thirty (30) days of receipt, and shall not be responsible for any amount until actually received by Aire-Master. If Franchisee at any time fails to service a Shared account, Aire-Master may service or arrange for service of such Shared account after such failure which shall not violate the exclusive territory

or any other provision of this Agreement and Franchisee shall receive no part of the payment for such service or any other compensation.

4.13 Aire-Master will deliver products, equipment, and/or supplies provided for in this Agreement a reasonable time after receipt of order, assuming Aire-Master has no unusual problems with delivery, strikes, inventory of supplies, or as otherwise provided in this Agreement. If Aire-Master fails to deliver the product, equipment, or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated above Franchisee may notify Aire-Master in writing and cancel the Franchise Agreement and Aire-Master will refund the Franchisee's entire initial franchise fee.

4.14 Aire-Master may negotiate purchase arrangements with suppliers, including price and terms, for Franchisee.

4.15 Aire-Master reserves the right for itself to use or publish information regarding Aire-Master or the Aire-Master System in any medium, including electronically through the internet or otherwise, and to conduct all electronic commerce, including business-to-business and business-to-consumer sales.

4.16 Aire-Master shall take the action it believes necessary and appropriate to defend its rights in the Marks and against any infringement, but is not obligated to defend the Marks or Franchisee against claims of infringement or unfair competition from its use of the Marks, or to reimburse Franchise for costs incurred in regard to a claim. Aire-Master has the right to control litigation concerning the Marks or their infringement.

5. CONSIDERATION AND REPORTING PROVISIONS

5.1 Franchisee agrees to pay to Aire-Master the sum of _____ and No/100 Dollars ($_____).

5.2 Franchisee shall pay Aire-Master a Royalty of Five percent (5%) of monthly Gross Service Billings, or during the second and following years, if greater, a minimum of Two Hundred Fifty and NO/100's Dollars ($250.00) per month Royalty, and will additionally reimburse Aire-Master for any gross receipts, sales, use or other tax or assessment assessed by any taxing authority in the state where Franchisee is located, on any royalties, fees or other amounts payable by Franchisee to Aire-Master pursuant to this Agreement. The reporting period is each calendar month unless otherwise authorized by Aire-Master in writing. Franchisee shall deliver a true and accurate written report showing Franchisee's Gross Service Billings on Aire-Master forms within fifteen (15) days after the last day of each month or other comparable reporting period. The report must be accompanied by the Royalty payment. A late payment fee of Fifteen and NO/100's Dollars ($15.00) is charged for each monthly Royalty payment not received by the 25th of the month, and each successive month until paid. Aire-Master's sole decision shall be binding in the event of dispute or question. Aire-Master reserves the right to set and adjust a volume royalty discount, or lower or waive the Royalty as to certain products in Aire-Master's sole and absolute discretion. Items for which the royalty is reduced or waived do not count in calculating the volume royalty reduction above.

5.3 Aire-Master reserves the right to institute an advertising fee of up to a maximum of four percent (4%) of monthly Gross Service Billings. The advertising fee shall be due simultaneously with the payment of the continuing royalty, above. Aire-Master reserves the right to set and adjust a volume advertising fee discount, or lower or waive the advertising fee as to certain products in Aire-Master's sole and absolute discretion. The advertising fee shall be uniform for all Aire-Master franchisees required to participate in the advertising fee program. If implemented, the advertising fee will be used for the production of advertising tools, materials and programs for use of Aire-Master and all franchisees paying an advertising fee. Aire-Master has the right to use the advertising fee in the best interests of the franchisees and the System in Aire-Master's sole and absolute discretion. There is no requirement that any portion or any of the advertising fees be spent in any particular geographic area or manner. The advertising fee will not be

used to advertise the sale of franchises or any purpose other than advertising the operations according to the Aire-Master System by franchisees and Aire-Master.

5.4 Any payment or report not actually received by Aire-Master on or before the payment date shall be deemed overdue. If any payment is overdue Franchisee shall pay Aire-Master the overdue amount plus interest from the due date until paid at the rate of one percent (1%) per month or the maximum rate permitted by law, whichever is less. Aire-Master is entitled to such interest in addition to any other remedies.

5.5 Within ninety (90) days after the close of Franchisee's fiscal year or within thirty (30) days of Aire-Master's written request Franchisee shall provide Aire-Master with an annual statement of profit and loss and a balance sheet prepared in accordance with GAAP. The profit and loss and balance sheet shall be signed by Franchisee or if Franchisee is not a sole proprietorship, by the Designated Principal Executive Officer attesting that it is true and correct. If the profit and loss and balance sheet are not certified by a Certified Public Accountant, Franchisee deliver to Aire-Master a complete copy of Franchisee's federal income tax return, including all schedules and attachments, for such period, or such other documentation as is acceptable to Aire-Master. In addition, Franchisee shall furnish other information and reports Aire-Master deems necessary or appropriate to comply with any state or federal law or administrative regulation now existing or later established.

5.6 During and after the Term, Franchisee shall maintain and preserve for at least seven (7) years from the dates of their preparation, full, complete and accurate books, records and accounts in accordance with GAAP and, if required, in the form and manner required by Aire-Master from time to time in writing.

5.7 Franchisee shall submit to Aire-Master for review or auditing such other forms, reports, records, computer records and information and data in the form and at the time reasonably requested or specified by Aire-Master from time to time in writing.

5.8 Aire-Master or its designated agents shall have the right at all reasonable times to examine or have an independent audit made of, the books, records, and tax returns of Franchisee and any other business in which Franchisee or its Principal Shareholder(s) have a financial interest. If an inspection reveals understated payments in any report to Aire-Master Franchisee shall immediately pay to Aire-Master upon demand the understated amount, plus interest from the due date until paid at one percent (1%) per month or the maximum rate permitted by law, whichever is less. Aire-Master shall pay the expense of any inspection or audit unless an understatement in any report of five percent (5%) or more is disclosed, in which case Franchisee shall reimburse Aire-Master for all costs and expenses connected with the inspection or audit (including, without limitation, reasonable accounting and attorneys' fees). These remedies shall be in addition to any other remedies Aire-Master may have.

6. RENEWALS

6.1 Except as otherwise provided in this Agreement, the Term shall run for three (3) years from the beginning date specified in Section 2.3.

6.2 Franchisee has the option to renew this Agreement at no additional charge for an additional three (3) year term provided that at the end of the initial term:

a. For the initial term of three (3) years commencing with the beginning date specified in Section 2.3, Franchisee's Gross Service Billings equal or exceed: Three and One-Third Cents ($.03⅓) per person in the population of the Territory during the first year; Six and Two-Thirds Cents ($.06⅔) per person in the population of the Territory during the second year; and Ten Cents ($.10) per person in the population of the Territory during the third year; with the requirement on renewal adjusted by the changes in population, CPI relative to the Anniversary Date, and changes in Franchisor's

standard formula for Gross Service Billings. The fiscal year billings shall be based on fiscal years of the twelve (12) months commencing with the Anniversary Day;

b. Franchisee is not in default of any provision of this Agreement, any amendment or successor agreement or any other agreement between Franchisee and Aire-Master or its subsidiaries and affiliates, and has substantially complied with all the terms and conditions of such agreements;

c. All Franchisee's monetary obligations to Aire-Master have been satisfied prior to renewal;

d. Specifically provided, Aire-Master has the right to adjust (typically lengthening, but including shorten) the length of the first three (3) year renewal term to coincide with renewal terms of other franchisees in Franchisee's region, but the total Term including renewals will not be reduced.

6.3 Franchisee executes Aire-Master's then current Franchise Agreement, which Franchise Agreement shall supersede the existing Agreement when accepted and executed by Aire-Master, and may contain terms and conditions different from those set forth herein.

6.4 After the first renewal term, Franchisee has the option to renew this Agreement for additional successive three (3) year terms through the last date specified in Section 2.3 at no additional charge, provided that at the end of the prior term:

a. Franchisee's Gross Service Billings equal or exceed Ten Cents ($.10) per person in the population of the Territory during each fiscal year of the prior term, with the requirement on renewal adjusted by the changes in population, CPI relative to the Anniversary Date, and changes in Franchisor's standard formula for Gross Service Billings. The fiscal year billings shall be based on fiscal years of the twelve (12) months commencing with the Anniversary Day;

b. Franchisee complies with the conditions in Sections 6.2b and 6.2c above for the prior three (3) year term.

6.5 Unless: (i) Franchisee in breach of this Agreement, or (ii) notifies Aire-Master in writing at least Thirty (30) days prior to the end of the current Three (3) year term of franchise's non-exercise of its option to renew this Agreement, Franchisee shall be deemed to have exercised Franchisee's option to renew the Term as provided in this section. Such renewal shall be effective on the first day of the succeeding Three (3) year Term, on the terms and conditions as provided in Aire-Master's then current Franchise Agreement, which current Franchise Agreement shall supersede the existing Agreement and which may contain terms and conditions different from those set forth herein.

6.6 Franchisee agrees to execute and promptly return Aire-Master's then current Franchise Agreement. Specifically provided, renewal shall be effective automatically as provided herein on the terms and conditions as provided in Aire-Master's then current Franchise Agreement regardless of whether Franchisee has signed and or returned the current Franchise Agreement and the renewal will not be contingent on Franchisee actually signing the current Franchise Agreement.

7. TERMINATION

7.1 Franchisee shall be in default and Aire-Master may terminate this Agreement and all rights granted hereunder without affording Franchisee any opportunity to cure the default on ninety (90) days written notice on the occurrence of any of the following events:

a. Pledging or assigning this Agreement or any rights hereunder as security for a loan without Aire-Master's prior written consent;

b. Franchisee debt to Aire-Master becoming more than thirty (30) days past due;

c. Franchisee delivers an insufficient or no account check to Aire-Master;

d. A receiver for Franchisee is appointed or applied for;

e. A petition is filed by or against Franchisee under the Federal Bankruptcy Act or any successor law;

f. Franchisee makes an assignment for the benefit of creditors;

g. Franchisee divulges or discloses any trade secrets or confidential information provided by Aire-Master contrary to Section 9;

h. Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the associated goodwill or Aire-Master's rights therein; or

i. An approved transfer is not effected within a reasonable time following the death or permanent incapacity of an individual Franchisee or Designated Shareholder, or if Franchisee is not a sole proprietorship, it fails within a reasonable time to replace its Designated Principal Executive Officer after death or permanent incapacity as required by Section 8.8.

7.2 Franchisee shall be in default and Aire-Master may terminate this Agreement and all rights granted hereunder upon ten (10) days' notice by certified mail on the occurrence of any of the following events:

a. Franchisee abandons the Licensed Franchise Operation or otherwise forfeits the right to do or transact business in the Territory.

b. Franchisee ceases to be a going concern or to conduct operations in the normal course of business;

c. Franchisee commits any act involving fraud in connection with Aire-Master or the Licensed Franchise Operation;

d. Franchisee is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely to adversely affect the System, the Program, the Proprietary Marks, the goodwill associated therewith, or Aire-Master's interest therein, in Aire-Master's sole opinion;

e. Franchisee fails to return a signed franchise renewal agreement within Ninety (90) days.

7.3 Except as provided in Sections 7.1 and 7.2 above, if either party fails to substantially comply with any of the requirements imposed by this Agreement, or to carry out the terms of this Agreement in good faith, the offended party shall notify the offending party in writing of such failure giving the offending party thirty (30) days to cure any default and provide evidence of cure to the offended party. If any default is not cured within the thirty (30) day period termination will be effective sixty (60) days thereafter. Defaults by Franchisee shall include without limitation any of the following events:

a. Franchisee's Gross Service Billings are less than the amount specified for the initial three (3) year term in Section 6.2 during any one-year period during the initial term;

b. Franchisee's Gross Service Billings are less than the amount specified in Section 6.3 for any one year during a subsequent three (3) year renewal term;

c. Franchisee fails, refuses, or neglects to promptly submit the financial information required under this Agreement, or makes any false statements in connection therein;

d. Franchisee fails to maintain the standards and specifications required in this Agreement;

e. Franchisee fails, refuses, or neglects to obtain Aire-Master's prior written approval or consent as required by this Agreement; or

f. Franchisee breaches any other obligations provided in this Agreement.

7.4 Franchisee may terminate this Agreement under the following conditions:

a. Aire-Master's bankruptcy or insolvency;

b. Aire-Master's failure to deliver product, equipment, and/or supplies necessary to commence substantial operation within 45 days of delivery date specified in Section 4.13 above.

7.5 Upon Termination Franchisee's interest will terminate immediately and automatically.

7.6 Upon Termination Franchisee shall immediately cease to have the right to perform any services or use the Marks or the System, and Franchisee agrees:

a. Franchisee shall discontinue forever the use of the System and Marks;

b. Franchisee shall cooperate and execute all instruments necessary to complete Termination.

c. Franchisee agrees to change or cancel its business (d/b/a) name, partnership name, corporate name, and/or fictitious or assumed name or equivalent registration, to exclude the word and trade name "Aire-Master", "Aire", "Air" or "Master", or any other Marks from such names immediately upon Termination and not to use the words "Aire-Master", "Air", "Aire" or "Master", or any similar word or words in any manner. Franchisee shall furnish Aire-Master with evidence of compliance satisfactory to Aire-Master with this obligation within thirty (30) days after Termination.

d. Franchisee shall make or cause to be made necessary changes in Franchisee's business name and products handled to disassociate Aire-Master's name and identity from Franchisee's business and marks. This includes but is not limited to withdrawal of all advertising matter, destruction of all letterheads, invoices, business cards, removal of all signs and any other articles which display the Marks or trade dress associated with the System as Aire-Master may direct to effectively to distinguish the same from any connections with Aire-Master. Franchisee will return to Aire-Master at Franchisee's expense all forms, documents, manuals, papers and literature supplied by Aire-Master.

e. Franchisee will change its telephone numbers and listings and instruct the telephone company to transfer all telephone calls intended for Franchisee or formerly under Franchisee's listings to Aire-Master or a franchisee designated by Aire-Master. Franchisee will assign or cause the telephone number used by the Franchisee under the "Proprietary Mark" or "Mark" ("Telephone Number") to be assigned to Aire-Master, and if the Telephone Number is not assignable, then Franchisee shall terminate or cause the Telephone Number to be terminated. Franchisee grants Power of Attorney to Aire-Master to have the number assigned or terminated.

f. If Franchisee fails or omits to make or cause, such changes to be made, or make such returns required by this section, Aire-Master has the right to enter upon Franchisee's premises without being deemed guilty of trespass or any other tort and make or cause to be made such changes, obtain and take such returns, provide for the destruction and/or withdrawal of all advertising matter and letterheads, and removal of all signs or other articles displaying the Marks or trade dress associated with the System, all at the expense of Franchisee.

g. For three (3) years following Termination, within the Territory Franchisee shall not directly or indirectly engage in any business the same as or similar to the restroom sanitation service business, or competing with Aire-Master or the System, without Aire-Master's prior written consent. This includes but is not limited to as a consultant, independent contractor, officer, employee, or owner, whether partnership, corporation, sole proprietorship, or otherwise. Aire-Master shall have right to determine whether competition or similarity exist.

h. For three (3) years following Termination Franchisee shall not divert or attempt to divert any business or customers from Aire-Master or its franchisees, by influencing or attempting to influence previously existing customers or otherwise, directly or indirectly.

i. Franchisee shall not do or perform directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or System.

j. The covenants contained in Sections 7.6g, 7.6h and 7.6i shall be construed as independent of any other provision of this Agreement, and the existence of any claim or cause of action of Franchisee against Aire-Master, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement by Aire-Master of such covenants, equitably and/or at law.

k. Franchisee shall sell to Aire-Master, at Aire-Master's option all or any one or more of the items of equipment, products and inventory used by Franchisee in the conduct of the System for their cost to Franchisee. This specifically includes machines and products "on location" at customer's places of business. Franchisee agrees not to remove any of said machines, products, advertising or labels during said ninety (90) day option period. The purchase price shall be the greater of: (i) Franchisee's book value for equipment or (ii) 10% of Franchisee's cost. Aire-Master shall exercise its option at any time within ninety (90) days after Termination. If not repurchased, Franchisee agrees to remove the machines and products within one hundred and twenty (120) days after Termination from customer's place of business. Aire-Master shall make payment upon delivery, as specified by Aire-Master.

l. In addition to the purchase option above, Aire-Master has a right of first refusal to purchase all or any one or more of the items of equipment, products and inventory on the same terms offered to any other person or entity, or if less, the greater of: (i) Franchisee's book value for equipment or (ii) 10% of Franchisee's cost. Aire-Master may assign its right of first refusal to any other person. Franchisee shall give Aire-Master written notice of any offer accompanied by a true and exact copy of a written agreement embodying all the terms and conditions under which Franchisee proposes to sell. Any material change in the terms of any offer prior to closing constitutes a new offer subject to the same right of first refusal by Aire-Master or its assign as in the case of an initial offer. Aire-Master's failure to exercise the right of first refusal afforded by this subparagraph shall not constitute a waiver of any other provision of this Agreement. Aire-Master or its assign has thirty (30) days after the receipt of notice to exercise its option in writing. If Aire-Master fails to accept the offer within the time provided, Franchisee is not in default under any provision of this Agreement and has satisfied the other conditions on transfer, Franchisee shall be free to sell the equipment, products and inventory to the person who made the offer in accordance with the terms of the written agreement which accompanied the notice to Aire-Master for sixty (60) days after the date Aire-Master received notice of the proposed sale.

m. Franchisee shall deliver to Aire-Master at a place and time designated by Aire-Master all of the route books, customer lists, master route file, and related documents used by Franchisee in connection with the System and Licensed Franchise Operation within fifteen (15) days after Termination.

n. Franchisee shall deliver to Aire-Master at a place and time designated by Aire-Master the Computer Software and all associated computer files used by Franchisee in connection with the System and Licensed Franchise Operation, and shall delete and destroy all copies of the Computer Software in Franchisee's possession within fifteen (15) days after Termination.

o. Franchisee grants Aire-Master a security interest in Franchisee's inventory and equipment purchased from Aire-Master as security for Franchisee's obligations on Termination. Franchisee agrees to cooperate and execute and or hereby authorizes Aire-Master to execute on Franchisee's behalf as debtor any financing statements or other documents necessary or desirable for Aire-Master to file to evidence and perfect its security interest.

p. If Franchisee continues to operate or subsequently begins to operate another business, it shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks in connection with such other business or its promotion which is likely to cause confusion, mistake or deception, or dilute Aire-Master's exclusive rights in and to the Marks. Franchisee shall not use any trade dress, designation of origin, description or representation which falsely suggests or represents any association or connection with Aire-Master constituting unfair competition.

q. If at any time within Three (3) years of Termination, Franchisee for any reason continues to operate or subsequently begins to operate another similar or competing business, including not limited to as a consultant, independent contractor, officer, employee, or owner, whether partnership, corporation, sole proprietorship, or otherwise, then continuing until the later of the final termination date set forth in Section 2.3 or until Franchise or any successor to Franchisee has not operated a similar or competing business for a continuous Three (3) year period, Franchisee will continue to pay the royalty, including minimum royalty, reimbursements to Aire-Master for any gross receipts, sales, use or other tax or assessment assessed by any taxing authority, reporting, and late payment fee, all as provided in Section 5.2. For purposes of this paragraph, "Gross Service Billings" means all sales and receipts by Franchisee, including gross charges for labor, equipment, products, leases, or rental agreements, similar to or competing with the Aire-Master System. Franchisee shall furnish to Aire-Master the returns as provided in Section 5.5. Aire-Master has the right to audit as provided in Section 5.8. If Franchise fails to deliver all the reports and returns, or Aire-Master otherwise has reason to believe the reported amount is incorrect, Franchisee's monthly Gross Service Billings shall be deemed to be the highest monthly amount previously reported by Franchisee or documented by Aire-Master. The provisions of Section 10 continue to apply. Until the provisions of this paragraph cease to apply, if Franchisee sells, transfers or otherwise disposes of the similar or competing business, Franchisee shall include a requirement that the person or entity acquiring the business pay the royalty and comply with the other provisions of this paragraph, and in any case, Franchisee shall remain personally liable to Aire-Master and guaranty the obligations of the person or entity acquiring the business for the payments and obligations of this paragraph.

r. Franchisee shall comply with the covenants contained in this Agreement.

8. CONSENT TO TRANSFER

8.1 Aire-Master shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity, including, without limitation, to Aire-Master franchisees, provided in Aire-Master's good faith judgment the Assignee is willing and able to assume Aire-Master's obligations under this Agreement. Franchisee agrees to execute any forms Aire-Master may reasonably request to effectuate any assignment by Aire-Master. On such full or partial assignment, this Agreement shall remain in full force and effect, and be enforceable by either Aire-Master or its successor in interest, including but not limited to the provisions on non-competition.

8.2 Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Aire-Master has granted this franchise in reliance on Franchisee's business skill and financial capacity (and if Franchisee is not a sole proprietorship, then in reliance on the Designated Shareholder's, the person(s) forming the entity granted the franchise, and or the Designated Principal Executive Officer's business skill and financial capacity). Accordingly, Franchisee shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this franchise or Franchisee without Aire-Master's prior written consent. Any purported assignment or transfer, by operation of law or otherwise, without Aire-Master's prior written consent, shall be null and void, shall constitute a material breach of this Agreement, and shall be cause for termination as provided in Sections 7.1, 7.2, and 7.3 above.

8.3 Franchisee shall not offer to sell, transfer, or assign this Agreement privately, through any medium of public advertising or otherwise during the first 3 years of operation, either a new or transferred franchise, except with Aire-Master's consent, which Aire-Master will not unreasonably withhold.

8.4 Franchisee shall not offer to sell, transfer, or assign this Agreement privately, through any medium of public advertising or otherwise without first having complied with the terms and conditions of this Agreement and all applicable state and Federal statutes and regulations.

8.5 Aire-Master has a right of first refusal to purchase Franchisee's business on the same terms offered to any other person or entity. Aire-Master may assign its right of first refusal to any other person. Franchisee shall give Aire-Master written notice of any offer accompanied by a true and exact copy of a written agreement embodying all the terms and conditions under which Franchisee proposes to sell the business. Any material change in the terms of any offer prior to closing constitutes a new offer subject to the same right of first refusal by Aire-Master or its assign as in the case of an initial offer. Aire-Master's failure to exercise the right of first refusal afforded by this Section 8 shall not constitute a waiver of any other provision of this Agreement, including this Section 8. Aire-Master or its assign has thirty (30) days after the receipt of notice to exercise its option in writing. If Aire-Master fails to accept the offer within the time provided, Franchisee is not in default under any provision of this Agreement and has satisfied the other conditions on transfer, and the proposed transferee satisfies the requirements of Section 8.6 below, Franchisee shall be free to sell the business to the person who made the offer in accordance with the terms of the written agreement which accompanied the notice to Aire-Master for sixty (60) days after the date Aire-Master received notice of the proposed sale.

8.6 Aire-Master shall not unreasonably withhold its consent to a transfer of any interest of Franchisee in this Franchise or Franchisee, provided that prior to the consent and transfer, Franchisee fulfills the terms of Aire-Master's transfer policy then in effect. Unless waived in writing by Aire-Master, Franchisee and or transferee must comply with the following:

a. Franchisee has operated the franchise for three years;

b. Franchisee satisfies all its accrued monetary obligations to Aire-Master and all other outstanding obligations related to the Licensed Franchise Operation;

c. Franchisee executes a general release under seal in a form satisfactory to Aire-Master of all claims against Aire-Master and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including without limitation, claims under federal, state and local laws, rules and ordinances.

As to only franchisees with a part of the Territory located in the state of New York:

> Provided however, that all rights enjoyed by the Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of the General Business Law, Section 687.4 and 687.5 be satisfied.

d. The transferee demonstrates to Aire-Master's satisfaction that it:

i. meets Aire-Master's managerial and business standards;

ii. possesses a good moral character, business reputation, and credit rating;

iii. has the aptitude and ability to conduct the Licensed Franchise Operation herein (as may be evidenced by prior related business experience or otherwise); and

iv. has adequate financial resources and capital to operate the Licensed Franchise Operation.

e. Transferee furnishes to Aire-Master such financial and other information as Aire-Master requests, and completes such forms or documents as Aire-Master requires.

f. The transferee executes (and/or, upon Aire-Master's request, cause all interested parties execute) Aire-Master's then current standard form franchise agreement and other ancillary agreement(s) as Aire-Master may require;

g. At the transferee's expense and upon such other terms and conditions as Aire-Master may reasonably require, transferee and/or transferee's manager completes the training course then in effect for new franchisees.

h. On Aire-Master granting approval for and as a condition of the transfer, Franchisee shall pay Aire-Master a Ten Thousand Five Hundred Dollars ($10,500.00) transfer fee for any assignment or splitting of the Territory, for each Territory or portion thereof transferred to separate persons or entities.

i. Such additional requirements as Aire-Master shall establish for all franchisees from time to time or shall specifically request of Franchisee.

8.7 In the event the proposed transferee is not a sole proprietorship, Aire-Master's consent to such transfer shall be conditioned on the requirements set forth in Section 3.14 and 3.15, and the transferee agreeing to comply with the provisions of Sections 3.14 and 3.15, regarding the transfer and issuance of securities.

8.8 On the death or permanent incapacity of any Designated Shareholder or other person with any interest in this franchise or in Franchisee, the executor, administrator, personal representative or trustee or other authorized representative of such person (the "Representative") shall transfer the interest to a third party approved by Aire-Master within a reasonable time. If the heirs, beneficiaries or other recipient of any such person are unable to meet the conditions in Section 8, the Representative of the deceased person shall have a reasonable time to dispose of the deceased's interest in the franchise or Franchisee. Post-death dispositions are subject to all the terms and conditions for transfers contained in this Agreement the same as a lifetime transfer, including without limitation transfers by devise, bequest or inheritance.

8.9 On the dissolution or other termination of a Franchisee that is not a sole proprietorship, the authorized representative shall transfer the franchise interest to a third party approved by Aire-Master within a reasonable time. Such transfers are subject to all the terms and conditions for transfers contained in this Agreement.

8.10 Aire-Master's consent to a transfer of any interest in the franchise or Franchisee shall not constitute a waiver of any claims it may have against the transferor, nor shall it be deemed a waiver of Aire-Master's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

9. CONFIDENTIAL INFORMATION

9.1 Aire-Master and Franchisee shall mutually treat as confidential and safeguard all information, knowledge, know how, reports, and records pertaining to this Franchise, except to the extent that there may be some other specific agreement in writing to the contrary. Franchisee shall divulge such confidential information only to its employees who must have access to operate the franchised business, and who have executed the confidentiality agreement as provided herein.

10. GENERAL CONTRACTUAL PROVISIONS

10.1 This is a Missouri contract and shall be governed by and interpreted and construed under laws of that state, which laws shall prevail in the event of any conflict of law, unless otherwise required by the state within which the Territory is located.

As to only franchisees a part of whose Territory is located in the state of New York:

> The foregoing choice of law should not be considered a waiver of any right conferred upon either Aire-Master or upon Franchisee by the General Business Law of the State of New York, Article 33.

10.2 Either party's failure to enforce any of the provisions of this Agreement shall not waive such provision(s), or the party's right thereafter to enforce each provision.

10.3 The parties acknowledge that this Agreement has been prepared with an attempt to avoid legal antiques and repetitive phrases. The intent is not to alter the terms but to make the document more readable. For example, references to "including" rather than "including but not limited to"; "from" rather than "whatsoever arising or occurring upon or in connection with"; or omission of "at any time, or for any period of time", "thereof" or "hereof" shall not be interpreted as limitations of effect or coverage.

10.4 The headings, captions and arrangements used in this Agreement or any related document are for convenience only and shall not be deemed to limit, amplify or modify the terms or effect the meaning of the Agreement or other documents, unless specified otherwise. References to "Articles" or "Sections" are to articles and sections of this Agreement unless specifically indicated otherwise. References to "Exhibits" or "Schedules" are to attached exhibits or schedules, all of which are incorporated by reference and made a part of the Agreement as if set forth herein verbatim.

10.5 This instrument contains the entire and only agreement between the parties respecting the subject matter of this Agreement, all prior and collateral representations, promises and conditions in connection with the subject matter being merged herein, and any representation, promise, or condition not incorporated in this Agreement shall not bind either party. Nothing in the Agreement or in any related agreement is intended to disclaim the representations Aire-Master made in the franchise disclosure document furnished to Franchisee. This instrument supersedes all pre-existing agreements or arrangements between the parties relating to the subject matter, except any balance due owed before the effective date of this Agreement. This Agreement may only be modified or amended in writing signed by both parties, except as to Aire-Master's rights as provided elsewhere.

10.6 This Agreement takes effect upon its acceptance and execution by Aire-Master in Missouri, and is not effective or binding on Aire-Master until signed by its President, Vice-President, or Treasurer.

10.7 Franchisee shall make a timely written request to Aire-Master whenever this Agreement requires Aire-Master's prior approval or consent, and such approval or consent shall be obtained in writing.

10.8 Any notice required or permitted shall be in writing and may be given by personal service, overnight express delivery service, or by depositing a copy thereof in United States certified or registered mail, with postage thereon fully prepaid, in a sealed envelope to be addressed as follows:

FRANCHISEE:

AIRE-MASTER:	Aire-Master of America, Inc. ATTN: President P.O. Box 2310 Nixa, Missouri 65714
With a copy to:	Frank C. Carnahan Carnahan, Evans, Cantwell & Brown, P.C. 2805 S. Ingram Mill Road Springfield, Missouri 65804

The above address may be changed at any time by either party by written notice to the other. Notice is effective on deposit.

10.9 Franchisee shall promptly pay to Aire-Master, all costs, expenses, and reasonable attorney's fees, incurred or paid by Aire-Master in enforcing the terms of this Agreement or in defending any related action or proceeding, whether or not suit is actually filed.

10.10 Any provision of this Agreement or any related document held to be illegal, invalid or unenforceable under present or future laws shall be fully severable, the Agreement shall be construed and enforced as if it had never been a part of the Agreement and the remaining provisions shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance. Furthermore, a provision as similar in terms to such illegal, invalid or unenforceable provision as is possible and may be legal, valid and enforceable shall be added automatically as a part of this Agreement in lieu of the illegal, invalid or unenforceable provision.

10.11 This Agreement shall not confer any rights or remedies on any person or legal entity other than Aire-Master or Franchisee or their respective successors and assigns as contemplated by Section 8. This Agreement is not intended to confer any rights on third parties, and anything to the contrary shall not confer any rights or remedies on third parties and is without effect.

10.12 No right or remedy conferred on or reserved to Aire-Master or Franchisee by this Agreement is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

10.13 Aire-Master has the right to seek and obtain injunctive relief under the usual equity rules against threatened conduct that may cause it loss or damage, including restraining orders and preliminary injunctions. Nothing in this Agreement shall bar such relief.

10.14 Franchisee personally submits to and acknowledges the personal jurisdiction of the Circuit Court of the Judicial Circuit of the State of Missouri, and of the Federal Court for the Western District of Missouri.

10.15 The provisions of Sections 1, 7 (including cross references therein), 9, and 10 shall survive the expiration or termination of this Franchise Agreement.

10.16 This Agreement inures to the benefit of and is binding on the parties and their respective heirs, legal representatives, successors and assigns. Nothing in this Agreement is intended to confer, expressly or by implication, on any person who is not a party or an heir, legal representative or successor to a party, any rights or remedies under or by reason of this Agreement.

11. ACKNOWLEDGEMENTS

11.1 Franchisee acknowledges that it has conducted an independent investigation of the Licensed Franchise Operation, and recognizes that the contemplated business venture involves business risks and that its success will be largely dependent on its ability as an independent businessman.

11.2 Franchisee acknowledges that it has received, read and understood this Agreement and the Schedules, if any, and that Aire-Master has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

11.3 Franchisee and all persons claiming under it shall at any time hereafter, make all such further assurances, and execute such additional documents on Aire-Master's request as Aire-Master deems necessary to effectuate the terms and conditions of this Agreement.

FRANCHISOR: Aire-Master of America, Inc.

SEAL

BY: _____
Walter R. Heinle, President/Chief Operating Officer

Attest:

_____
Walter R. Heinle, Second Assistant Secretary

FRANCHISEE: _____, dba Aire-Master of _____

SEAL

By: _____

Attest:

_____
, Secretary

GUARANTOR(S): _____, individually

_____, individually

STATE OF)
) ss
COUNTY OF)

On this _____ day of _____, 202__, before me personally appeared Walter R. Heinle, to me known personally, who being duly sworn did say that he is President/Chief Operating Officer of Aire-Master of America, Inc., that the seal affixed to this instrument is the Corporate seal of said Corporation and that the Franchise Agreement was signed and sealed in behalf of said Corporation by authority of its Board of Directors and the said Walter R. Heinle acknowledges the Franchise Agreement to be the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Nixa, Missouri, the day and year first above written.

_____
Notary Public
County of Commission:
My Commission Expires:

STATE OF)
) ss
COUNTY OF)

On this _____ day of _____, 202__, before me personally appeared _____ and _____, to me known to be the person(s) described in and who executed the Franchise Agreement in _____ individual capacit____, and acknowledged that _____ executed the same as _____ free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in _____, _____, the day and year first above written.

_____
Notary Public
County of Commission:
My Commission Expires:

STATE OF)
) ss
COUNTY OF)

On this _____ day of _____, 202__, before me personally appeared _____, to me known personally, who being duly sworn did say that __he is President of _____, that the seal affixed to this instrument is the corporate seal of said corporation and that the Franchise Agreement was signed and sealed in behalf of said corporation by authority of its Board of Directors and the said _____ acknowledges said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

_____
Notary Public
County of Commission:
My Commission Expires:

STATE OF)
) ss
COUNTY OF)

On this _____ day of _____, 202__, before me personally appeared _____ _____ of _____, to me known to be the person described in and who executed the within Franchise Agreement in behalf of said partnership and acknowledged to me that __he executed the same for the purposes therein stated.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

_____
Notary Public
County of Commission:
My Commission Expires:

Schedule A - PRODUCTS

Classification and Description of List of products and equipment proprietary to Aire-Master System to be purchased from Aire-Master of America, Inc., by Franchisee (and more specifically defined in the product and price information guide as from time to time issued by Aire-Master of America, Inc., to Franchisee.):

Deodorizing containers and related components.

Deodorizing dispensing units

Liquid, semi-solid, and solid deodorant products.

Liquid and aerosol Disinfectants and Sanitizers

All hand cleaning products, hand soaps, and hand sanitizers.

Liquid and powdered specialty cleaning agents.

All Toilet bowl, Urinal and Commode screens, shields, mats, cleaners and chemicals

Toilet bowl cleaners.

All Urinal screens.

Specialty tools and materials.

Dispensing devices and related components for servicing restroom fixtures.

Floor, wall, and partition cleaners and chemicals

Chemical proportioning equipment, cleaners, and chemicals

Service labels and signs.

Identification labels and signs.

Literature, stationery, business cards and forms.

Route-Master computer software (Aire-Master licenses to franchise without additional charge).

Uniforms.

Vehicle graphics.

Classification and Description of List of Products and equipment meeting particular specifications required for Aire-Master System to be purchased persons other than Aire-Master of America, Inc., by Franchisee:

[FDD Note: The computer industry is constantly advancing and Aire-Master sets minimum requirements at an appropriate level between state of the art and obsolete. Generally computers purchased within one to two years meet these requirements. Contact Aire-Master for current minimum standards. It may be appropriate for you to purchase more powerful equipment than required.]

REQUIRED: Internet connected desktop or laptop computer with current operating system (Windows or Mac) and laser printer. E-mail account. Up to date web browser (Internet Explorer, Chrome, Firefox, Safari). Up to date security software. Minimum 6 Mbps Broadband internet access, 12 Mbps or faster, and secondary internet provider recommended. Contact Aire-Master for more specifics.

Schedule B - TERRITORY

The prime territory of Franchisee conveyed under Section 2 of this Agreement is the following described geographical area:

In the State of _____.

[MAP]

Schedule B.1 – OPERATION OUTSIDE TERRITORY "EXTERNAL-TERRITORY"

Section 3.9 prohibits Franchisee from distributing, selling, or in other ways making commercial or noncommercial use of the products or services offered for sale by Aire-Master or making up a part of System beyond the Territory without Aire-Master's express written permission.

Aire-Master consents to Franchisee establishing and servicing accounts outside the Territory (the "External-Territory") in the following counties in the state of _____:

[MAP]

Except as specifically provided, all terms and conditions of this Agreement apply to Franchisee's operation in the External-Territory. The provisions of this Agreement regarding completion during and or after the Term apply to the External-Territory (i) during the time Franchisee has any operations in the External-Territory and (ii) for Three (3) years after Franchisee ceases all operations in the External-Territory.

Aire-Master has the right to revoke its consent to Franchisee's operation in all or any part of the External-Territory at any time, and to market and license all or any part of the External-Territory as a franchise, including combining it with additional territory not part of the External-Territory. Franchisee has no right or option to acquire the External-Territory either as an addition to its Territory or as a new franchise. Aire-Master will use its normal qualification process and criteria for potential franchisees.

Franchisee shall no longer service account in the External-Territory and is not entitled to any payment on license of all or any part of the External-Territory, including for the account based being served by Franchisee in the External-Territory.

Franchisee is not authorized to and shall not make any agreement or representation on Aire-Master's behalf or otherwise in regard to sale of a franchise including all or any part of the External-Territory. Franchisee will refer all potential franchisees who express an interest in a franchise including all or a portion of the External-Territory or otherwise to the appropriate person at Aire-Master.

Schedule C - PROPRIETARY MARKS

Aire-Master agrees to permit Franchisee to use the following marks in connection with marketing of the Aire-Master System and as part of Franchisee's name as specified in the Franchise Agreement, subject to Aire-Master's rights pursuant to the Franchise Agreement to amend, modify, or withdraw such permission to use, the following marks:

"Aire-Master" with perfume cloud as dot over 'i', Skunk with spray can surrounded by perfume cloud, Reg. No. 1,170,645

Skunk with spray can surrounded by perfume cloud, Reg. No. 2,073,146

"Aire-Master", Reg. No. 2,108,159

Skunk with spray bottle , Reg. No. 3,485,020

"Aire-Master", Reg. No. 3,862,868

"AIRE MASTER" with four circles of increasing size forming the dot of the "I" and a tornado funnel design appearing between the terms "AIRE" and "MASTER"., Reg. No. 3,862,862 [2]

"Blue Lagoon", Reg. No. 2,144,208

"You're N Control", Reg. No. 1,945,636

"Paw Wash", Reg. No. 1,921,420

"Clean Streak", Reg. No. 3,152,670 [1]

"go-gel" design plus words, Reg. No. 3,074,631 [1.]

"Scentscapes", Reg. No. 85153944 [2]

"Nuvera", Reg No. 4,859,928 [2]

"McCauley's", Reg. No. 4,896,631 [2]

1. These marks are not exclusive to the Aire-Master System and Aire-Master may sell products under these marks to non-franchisees, including in your territory.
2. Mark not used in the Aire-Master System.

Notice Required by
The Defend Trade Secrets Act ("DTSA"),
18 USC §1833

The DTSA requires all employment contracts, policies and other documents governing the use of confidential information to contain a special notice of immunity for whistleblowers (this notice).

The DTSA includes a whistleblower provision that provides immunity for disclosure of trade secrets to government officials. Notwithstanding any other provisions of this Agreement, you may be entitled to immunity and protection from retaliation under the Defend Trade Secrets Act of 2016 for disclosing a trade secret under certain limited circumstances.

Pursuant to the Defend Trade Secrets Act of 2016:

> An individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding.
>
> Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the attorney and use the trade secret information in the court proceeding if the individual: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

ILLINOIS ADDENDUM TO
AIRE-MASTER OF AMERICA, INC. FRANCHISE AGREEMENT
DATED _____, _____

Aire-Master of America, Inc. ("Franchisor"), and _____ and _____, doing business as Aire-Master of _____ ("Franchisee"), entered into a Franchise Agreement dated _____ ___, 201__ ("Franchise Agreement"), and desire to amend the Franchise Agreement to comply with Illinois statutory requirements.

In consideration of the original Franchise Agreement and this Illinois Addendum thereto, Franchisor and Franchisee agree that:

1. Any provision in the franchise agreement designating jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois, provided the franchise agreement may provide for arbitration in a forum outside Illinois.

2. The § 10.1 choice of law provision specifying Missouri is amended to provide that Illinois law governs the Franchise Agreement.

3. Franchisees rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. Except as expressly provided in this Addendum, all other terms of the Franchise Agreement remain in full force and effect.

IN WITNESS HEREOF, the parties have set their hands and seals effective _____ ___, 202___.

FRANCHISOR: AIRE-MASTER OF AMERICA, INC.

BY: _____
Walter R. Heinle, President/Chief Operating Officer

FRANCHISEE:

_____

MARYLAND ADDENDUM TO
AIRE-MASTER OF AMERICA, INC. FRANCHISE AGREEMENT
DATED _____, _____

WHEREAS, Aire-Master of America, Inc. ("Franchisor"), and _____ and _____, doing business as Aire-Master of _____ ("Franchisee"), entered into a Franchise Agreement dated _____ ___, _____ (the "Franchise Agreement").

AND WHEREAS, pursuant to the Maryland Franchise Disclosure Act, COMAR .02.02.0816L, a general release required as a condition of renewal, sale, and or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

AND, WHEREAS, the parties desire to amend the Franchise Agreement to comply with said statutory requirements.

In consideration of the original Franchise Agreement and this First Addendum thereto, Franchisor and Franchisee do agree as follows:

1. Any provision in the franchise agreement requiring Franchisee to assent to a release, estopple, or waiver of liability is not intended to, nor shall it act as a release, estopple, or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

2. The franchise agreement provision that franchisee may be sued in the Circuit Court of the Judicial Circuit of the State of Missouri, and of the Federal Court for the Western District of Missouri, shall not prohibit franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

4. Except as expressly provided herein, all other terms of the Agreement shall remain in full force and effect.

IN WITNESS HEREOF, the parties have hereunto set their hands and seals effective _____, 202___.

FRANCHISOR: AIRE-MASTER OF AMERICA, INC.

BY: _____
Walter R. Heinle, President/Chief Operating Officer

FRANCHISEE: _____

NORTH DAKOTA ADDENDUM TO
AIRE-MASTER OF AMERICA, INC. FRANCHISE AGREEMENT
DATED _____, _____

WHEREAS, Aire-Master of America, Inc. ("Franchisor"), and _____ and _____, doing business as Aire-Master of _____ ("Franchisee"), entered into a Franchise Agreement dated _____ ___, _____ ("Franchise Agreement").

AND WHEREAS, the North Dakota Commissioner has determined certain provisions and actions are unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

AND, WHEREAS, the parties desire to amend the Franchise Agreement to comply with North Dakota requirements.

In consideration of the original Franchise Agreement and this First Addendum to the Franchise Agreement, Franchisor and Franchisee agree that the following are subject to applicable North Dakota law:

1. covenants restricting competition contrary to Section 9-08-06, N.D.C.C. are generally considered unenforceable in the State of North Dakota;
2. franchisee consent to the jurisdiction of courts outside of North Dakota is deleted each place it appears;
3. franchisee consent to liquidated damages or termination penalties is deleted each place it appears;
4. provision that the Franchise Agreement is governed by Missouri law is deleted each place it appears;
5. waiver of trial by jury is deleted each place it appears;
6. waiver of exemplary and punitive damages is deleted each place it appears;
7. requirement that franchisee sign a general release on renewal of the Franchise Agreement is deleted each place it appears;
8. limitation of claims is deleted each place it appears;
9. designation of jurisdiction or venue in a forum outside of North Dakota is deleted each place it appears; and
10. requirement that franchisee pay all Franchisor's costs and expenses incurred in enforcing the agreement, is revised to "the prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney fees".
11. Except as expressly provided in this addendum, all other terms of the Franchise Agreement remain in full force and effect.

IN WITNESS HEREOF, the parties have set their hands and seals effective _____, 202___.

FRANCHISOR: AIRE-MASTER OF AMERICA, INC.

BY: _____
Walter R. Heinle, President/Chief Operating Officer

FRANCHISEE: _____

Exhibit A.2
PROMISSORY NOTE

FOR VALUE RECEIVED, I, _____, as principal, promise to pay to the order of Aire-Master of America, Inc., ("Holder"), Nixa, Missouri, the sum of _____ Dollars ($_____) in legal and lawful money of the United States of America, with interest thereon from _____,____, at the rate of ___ percent (___%) [___% over prime as determined by _____ Bank, adjustable each anniversary date] per annum [compounded monthly] so long as default does not exist upon this obligation, or the instrument securing it, and at the rate of two percent (2%) per annum above the original [current] rate provided herein so long as default, if any exists, payable _____.

This note is due and payable [on demand] [in ___ payments of $____, beginning _____ __, ____, and continuing at monthly time intervals thereafter. A final payment of the unpaid principal balance plus accrued interest is due and payable on ____ __, ___. Late payments are subject to a late payment fee of ___.]

Maker has the right to prepay the balance, in whole or in part, without penalty, on any payment date. However, prepayment of principal shall be in the amount(s) corresponding with the next principal payment(s) due according to the loan payment schedule, and prepayment(s) shall not release Maker's obligation to make continuous monthly payment(s) until the balance is fully paid.

In case of default in the payment of any installment of either principal or interest or in the performance of any of the covenants, conditions, or agreements contained in the mortgage {or deed of trust} given to secure the payment hereof, then or at any time thereafter during the continuance of such default, the legal holder hereof may, without notice, declare the whole debt immediately due and payable.

For the purpose of securing the payment of this note or any renewals, or extensions, or changes in form hereof, the undersigned does hereby pledge, transfer and deliver to Holder the following described property, owned by me in good faith and free of any claims, security interest or liens, to wit:

> Aire-Master of America, Inc. franchise for the following counties in the state(s) of _____; and, all inventory of goods of whatever description held for sale or lease by the debtor, now or hereafter owned, or now or hereafter in the possession, custody or control of debtor, wherever located, together with all attachments, parts, accessories, additions and substitutions, including all returns and repossessions; all accounts, accounts receivable, contract rights, chattel paper and general intangibles, now owned or hereafter existing in favor of or acquired by debtor; all equipment, furniture and fixtures, wherever located, now owned or hereafter acquired or now or hereafter in the possession, custody or control of the debtor and all replacements, substitutions and accessions thereto and thereof all reserves, however created, of debtor in the possession or control of secured party all of debtor's rights to any rebates, discounts, credits, factory holdbacks and incentive payments which may become due to debtor by the manufacturer or distributor with respect to any of the inventory, and all proceeds from all or any part of the above described collateral, including, but not limited to, insurance proceeds payable by reason of loss or damage to any of the collateral, cash, goods, equipment, instruments, accounts, chattel paper, contract rights, general intangibles, replacement inventory or otherwise.

All signers and endorsers of this note are to be regarded as principals, so far as their liability to Holder is concerned, and each of us hereby severally waive presentation for payment, protest and notice of protest, and of non-payment, in case this note is not paid at maturity, and agree to all extensions without limitations as to number or the term of any such extension and part payments before or after maturity without prejudice to the Holder hereof. We and each of us agree that, in case of renewal or if extension of maturity of this note, any and all security interests given to the Holder by us or any of us at any time shall remain in full force and effect as security for the payment of the renewed or extended note. We further agree to pay all costs of collection, including but not limited to reasonable attorney fees, and court costs.

Upon default in the payment or performance of any liability or obligation hereunder of the undersigned or any of them, or of any maker, endorser, or guarantor, to the Holder; or upon the death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of proceedings under any bankruptcy or insolvency law by or against, a maker, endorser, or guarantor of this obligation; or, upon the assignment by maker of any equity in any of the property of, or obligations due any maker, then in any such event, this note, at the election of the Holder, without notice shall become due and payable forthwith.

On and after the default of this note either by its terms or by election as aforesaid, the Holder is hereby expressly authorized at any time and from time to time, to sell, transfer and deliver the whole or any part of the above described security, and any additions thereto and substitutes therefor, either at public or private sale, or at any broker's board or any exchange, whether within or without the State of Missouri, and whether at public or private sale, with or without advertising the time or place of such sale. Any notice of sale, disposition or other intended action by Holder sent to the undersigned, at the address specified after maker's signature, at least five (5) days prior to such action, shall, where notice is required under applicable statutes, constitute reasonable notice to the parties entitled thereto and the Holder, if the highest bidder therefor, is expressly authorized and permitted to become the purchaser of the collateral security, or any part thereof, at any such sale or sales. I, we and each of us further agree that, after deducting all costs and expenses of any such sale, including attorney's fees, and after the payment of the principal and interest due on this note, the balance, if any, of the proceeds of the sale shall be paid over to maker.

It is agreed that Holder may, at the request of or by agreement with maker or any endorser or guarantor hereof, accept in exchange other and different security for that above described, or for any part thereof.

Any failure by Holder to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any other time and from time to time hereafter.

Upon any transfer of this note and agreement, the collateral security held under this agreement at the time of transfer, or any part thereof, may be delivered to the transferee, who shall thereupon become vested with all the rights and powers above given to the Holder in respect thereto. All rights and powers of the Holder hereunder shall inure to its successor or assigns, and all agreements herein shall bind the successors, assigns, heirs and personal representatives of the undersigned.

_____
MAKER

STATE OF)
) ss
COUNTY OF)

On the ___ day of _____, 202__, before me personally appeared _____, to me known to be the person described in and who executed the foregoing Promissory Note and who acknowledged that __he__ executed the same as ____ free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal the day and year first above written.

_____
Notary Public
My Commission Expires:
County of Commission:

Exhibit A.3
SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of the ___ day of _____, 202_, by and between _____ ("Company"), and Aire-Master of America, Inc., a Missouri corporation ("Lender").

WHEREAS, it is a condition precedent that Company execute and deliver to Lender a security agreement in substantially the form hereof, and

WHEREAS, Company wishes to grant security interests in favor of Lender as herein provided;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**. The term "State", as used herein, means the State of Missouri. All terms defined in the Uniform Commercial Code of State and used herein shall have the same definitions herein as specified therein; provided however, that the term "instrument" shall be such term as defined in Article 9 of the Uniform Commercial Code of State rather than Article 3. The term "Obligations" as used herein, means all of the indebtedness, obligations and liabilities of Company to Lender, individually or collectively, whether direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising under or in respect of the extension of credit, any promissory notes or other instruments or agreements executed and delivered pursuant thereto or in connection therewith, or this Agreement, and the term "Event of Default" as used herein, means the failure of Company to pay or perform any of the Obligations as and when due to be paid or performed.

2. **Grant of Security Interest.** Company hereby grants to Lender, to secure the payment and performance in full of all of the Obligations, a security interest in and so pledges and assigns to Lender the following properties, assets and rights of Company, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof individually or collectively "Collateral"): **See attached Exhibit A.**

3. **Authorization to File Financing Statements.** Company hereby irrevocably authorizes Lender at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of Company or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of State or such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by part 5 of Article 9 of the Uniform Commercial Code of State for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether Company is an organization, the type of organization and any organization identification number issued to Company and, (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Company agrees to furnish any such information to Lender promptly upon request.

4. **Other Actions.** Further to insure the attachment, perfection and first priority of, and the ability of Lender to enforce, Lender's security interest in the Collateral, Company agrees, in

each case at Company's own expense, to take the following actions with respect to the following Collateral:

4.1 **Collateral in the Possession of a Bailee.** If any goods are at any time in the possession of a bailee, Company shall promptly notify Lender thereof and, if requested by Lender, shall promptly obtain an acknowledgment from the bailee, in form and substance satisfactory to Lender, that the bailee holds such Collateral for the benefit of Lender and shall act upon the instructions of Lender, without the further consent of Company. Lender agrees with Company that Lender shall not give any such instructions unless an Event of Default has occurred and is continuing or would occur after taking into account any action by Company with respect to the bailee.

4.2 **Other Actions as to any and all Collateral.** Company further agrees to take any other action reasonably requested by Lender to insure the attachment, perfection and first priority of, and the ability of Lender to enforce, Lender's security interest in any and all of the Collateral including, without limitation, (a) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the Uniform Commercial Code, to the extent, if any, that Company's signature thereon is required therefor, (b) causing Lender's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of Lender to enforce, Lender's security interest in such Collateral, (c) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of Lender to enforce, Lender's security interest in such Collateral, (d) obtaining governmental and other third party consents and approvals, including without limitation any consent of any licensor, lessor or other person obligated on Collateral, (e) obtaining waivers from mortgagees and landlords in form and substance satisfactory to Lender and (f) taking all actions required by any earlier versions of the Uniform Commercial Code or by other law, as applicable in any relevant Uniform Commercial Code jurisdiction, or by other law as applicable in any foreign jurisdiction.

5. **Representations and Warranties Concerning Company's Legal Status.** Company has previously delivered to Lender a certificate signed by Company and entitled "Perfection Certificate" (the "Perfection Certificate"). Company represents and warrants to Lender as follows: (a) Company's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof, (b) Company is an organization of the type and organized in the jurisdiction set forth in the Perfection Certificate, (c) the Perfection Certificate accurately sets forth Company's organizational identification number or accurately states that Company has none, (d) the Perfection Certificate accurately sets forth Company's place of business or, if more than one, its chief executive office as well as Company's mailing address if different and (e) all other information set forth on the Perfection Certificate pertaining to Company is accurate and complete.

6. **Covenants Concerning Company's Legal Status.** Company covenants with Lender as follows: (a) without providing at least 30 days prior written notice to Lender, Company will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one, (b) if Company does not have an organizational identification number and later obtains one, Company shall forthwith

notify Lender of such organizational identification number, and (c) Company will not change its type of organization, jurisdiction of organization or other legal structure.

7. **Representations and Warranties Concerning Collateral, Etc.** Company further represents and warrants to Lender as follows: (a) Company is the owner of the Collateral, free from any adverse lien, security interest or other encumbrance, except for the security interest created by this Agreement, (b) none of the Collateral constitutes, or is the proceeds of, "farm products" as defined in §9-102(a)(34) of the Uniform Commercial Code of State, (c) none of the account debtors or other persons obligated on any of the Collateral is a governmental authority subject to the Federal Assignment of Claims Act or like federal, state or local statute or rule in respect of such Collateral, (d) Company has at all times operated its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state and local statutes and ordinances dealing with the control, shipment, storage or disposal of hazardous materials or substances and (e) all other information set forth on the Perfection Certificate pertaining to the Collateral is accurate and complete.

8. **Covenants Concerning Collateral, Etc.** Company further covenants with Lender as follows: (a) the Collateral, to the extent not delivered to Lender pursuant to §2.3, will be kept at those locations listed on the Perfection Certificate and Company will not remove the Collateral from such locations, without providing at least 30 days prior written notice to Lender, (b) except for the security interest herein granted, Company shall be the owner of the Collateral free from any lien, security interest or other encumbrance, and Company shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to Lender, (c) Company shall not pledge, mortgage or create, or suffer to exist a security interest in the Collateral in favor of any person other than Lender, (d) Company will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon, (e) Company will permit Lender, or its designee, may inspect the Collateral at any reasonable time, wherever located, (f) Company will pay promptly when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Agreement, (g) Company will continue to operate, its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state and local statutes and ordinances dealing with the control, shipment, storage or disposal of hazardous materials or substances, and (h) Company will not sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein except for sales of inventory in the ordinary course of business.

9. **Insurance**.

9.1 **Maintenance of Insurance**. Company will maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities in similar geographic areas. Such insurance shall be in such minimum amounts that Company will not be deemed a co-insurer under applicable insurance laws, regulations and policies and otherwise shall be in such amounts, contain such terms, be in such forms and be for such periods as may be reasonably satisfactory to Lender. In addition, all such insurance shall be payable to Lender as loss payee. Without limiting the foregoing, Company will (i) keep all of its

physical property insured with casualty or physical hazard insurance on an "all risks" basis, with broad form flood and earthquake coverages and electronic data processing coverage, with a full replacement cost endorsement and an "agreed amount" clause in an amount equal to 100% of the full replacement cost of such property, (ii) maintain all such workers' compensation or similar insurance as may be required by law and (iii) maintain, in amounts equal to those generally maintained by businesses engaged in similar activities in similar geographic areas, general public liability insurance against claims of bodily injury, death or property damage occurring, on, in or about the properties of Company; business interruption insurance; and product liability insurance.

9.2 **Insurance Proceeds.** The proceeds of any casualty insurance in respect of any casualty loss of any of the Collateral shall, subject to the rights, if any, of other parties with a prior interest in the property covered thereby, (i) so long as no Default or Event of Default has occurred and is continuing and to the extent that the amount of such proceeds is less than $1,000.00, be disbursed to Company for direct application by Company solely to the repair or replacement of Company's property so damaged or destroyed and (ii) in all other circumstances, be held by Lender as cash collateral for the Obligations. Lender may, at its sole option, disburse from time to time all or any part of such proceeds so hold as cash collateral, upon such terms and conditions as Lender may reasonably prescribe, for direct application by Company solely to the repair or replacement of Company's property so damaged or destroyed, or Lender may apply all or any part of such proceeds to the Obligations.

9.3 **Notice of Cancellation, etc.** All policies of insurance shall provide for at least 30 days prior written cancellation notice to Lender. In the event of failure by Company to provide and maintain insurance as herein provided, Lender may, at its option, provide such insurance and charge the amount thereof to Company. Company shall furnish Lender with certificates of insurance and policies evidencing compliance with the foregoing insurance provision.

10. **Collateral Protection Expenses; Preservation of Collateral**.

10.1 **Expenses Incurred by Lender.** In its discretion, Lender may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, make repairs thereto and pay any necessary filing fees. Company agrees to reimburse Lender on demand for any and all expenditures so made. Lender shall have no obligation to Company to make any such expenditures, nor shall the making thereof relieve Company of any default.

10.2 **Lender's Obligations and Duties.** Anything herein to the contrary notwithstanding, Company shall remain liable under each contract or agreement comprised in the Collateral to be observed or performed by Company thereunder. Lender shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by Lender of any payment relating to any of the Collateral, nor shall Lender be obligated in any manner to perform any of the obligations of Company under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by Lender in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may

have been assigned to Lender or to which Lender may be entitled at any time or times. Lender's sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under §9-207 of the Uniform Commercial Code of State or otherwise, shall be to deal with such Collateral in the same manner as Lender deals with similar property for its own account.

11. **Securities and Deposits.** Lender may at any time, at its option, transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Obligations. Whether or not any Obligations are due, Lender may demand, sue for, collect, or make any settlement or compromise which it deems desirable with respect to the Collateral. Regardless of the adequacy of Collateral or any other security for the Obligations, any deposits or other sums at any time credited by or due from Lender to Company may at any time be applied to or set off against any of the Obligations.

12. **Notification to Account Debtors and Other Persons Obligated on Collateral.** If an Event of Default shall have occurred and be continuing, Company shall, at the request of Lender, notify account debtors and other persons obligated on any of the Collateral of the security interest of Lender in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to Lender or to any financial institution designated by Lender as Lender's agent therefor, and Lender may itself if a Default or an Event of Default shall have occurred and be continuing without notice to or demand upon Company, so notify account debtors and other persons obligated on Collateral. After the making of such a request or the giving of any such notification, Company shall hold any proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by Company as trustee for Lender without commingling the same with other funds of Company and shall turn the same over to Lender in the identical form received, together with any necessary endorsements or assignments. Lender shall apply the proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by Lender to the Obligations, such proceeds to be immediately entered after final payment in cash or other immediately available funds of the items giving rise to them.

13. **Power of Attorney**.

13.1 **Appointment and Powers of Lender.** Company hereby irrevocably constitutes and appoints Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys- in-fact with full irrevocable power and authority in the place and stead of Company or in Lender's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of Company, without notice to or assent by Company, to do the following:

(a) upon the occurrence and during the continuance of a Default or an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral in such manner as is consistent with the Uniform Commercial Code of State and as fully and completely as though Lender were the absolute owner thereof for all purposes, and to do at Company's expense, at any time, or from time to time, all acts and

things which Lender deems necessary to protect, preserve or realize upon the Collateral and Lender's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as Company might do, including, without limitation, (i) the filing and prosecuting of registration and transfer applications with the appropriate federal or local agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes, (ii) upon written notice to Company, the exercise of voting rights with respect to voting securities, which rights may be exercised, if Lender so elects, with a view to causing the liquidation in a commercially reasonable manner of assets of the issuer of any such securities and (iii) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(b) to the extent that Company's authorization given in §3 is not sufficient, to file such financing statements with respect hereto, with or without Company's signature, or a photocopy of this Agreement in substitution for a financing statement, as Lender may deem appropriate and to execute in Company's name such financing statements and amendments thereto and continuation statements which may require Company's signature.

13.2 **Ratification by Company.** To the extent permitted by law, Company hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof This power of attorney is a power coupled with an interest and shall be irrevocable.

13.3 **No Duty on Lender.** The powers conferred on Lender hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Lender shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to Company for any act or failure to act, except for Lender's own gross negligence or willful misconduct.

14. **Remedies.** If an Event of Default shall have occurred and be continuing, Lender may, without notice to or demand upon Company, declare this Agreement to be in default, and Lender shall thereafter have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of State or of any jurisdiction in which Collateral is located, including, without limitation, the right to take possession of the Collateral, and for that purpose Lender may, so far as Company can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. Lender may in its discretion require Company to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of Company's principal office(s) or at such other locations as Lender may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender shall give to Company at least five Business Days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. Company hereby acknowledges that five Business Days prior written notice of such sale or sales shall be reasonable notice. In addition, Company waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of Lender's rights hereunder, including,

without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights with respect thereto.

15. **Standards for Exercising Remedies.** To the extent that applicable law imposes duties on Lender to exercise remedies in a commercially reasonable manner, Company acknowledges and agrees that it is not commercially unreasonable for Lender (a) to fail to incur expenses reasonably deemed significant by Lender to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as Company, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, disposition warranties, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Lender against risks of loss, collection or disposition of Collateral or to provide to Lender a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by Lender, to obtain the services of other brokers, investment Bankers, consultants and other professionals to assist Lender in the collection or disposition of any of the Collateral. Company acknowledges that the purpose of this §15 is to provide non-exhaustive indications of what actions or omissions by Lender would not be commercially unreasonable in Lender's exercise of remedies against the Collateral and that other actions or omissions by Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this §15. Without limitation upon the foregoing, nothing contained in this §15 shall be construed to grant any rights to Company or to impose any duties on Lender that would not have been granted or imposed by this Agreement or by applicable law in the absence of this §15.

16. **No Waiver by Lender, etc.** Lender shall not be deemed to have waived any of its rights upon or under the Obligations or the Collateral unless such waiver shall be in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of Lender with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as Lender deems expedient.

17. **Suretyship Waivers by Company.** Company waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, Company assents to any

extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as Lender may deem advisable. Lender shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth in §10.2. Company further waives any and all other suretyship defenses.

18. **Marshalling.** Lender shall not be required to marshal any present or future collateral security (including but not limited to this Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, Company hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of Lender's rights under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Company hereby irrevocably waives the benefits of all such laws.

19. **Proceeds of Dispositions; Expenses.** Company shall pay to Lender on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Lender in protecting, preserving or enforcing Lender's rights under or in respect of any of the Obligations or any of the Collateral, however, specifically provided, this provisions shall not include Lender=s attorney=s fees associated with the preparation of this security agreement and the promissory note. After deducting all of said expenses, the residue of any proceeds of collection or sale of the Obligations or Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as Lender may determine, proper allowance and provision being made for any Obligation, not then due, upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the Uniform Commercial Code of State, any excess shall be returned to Company, and Company shall remain liable for any deficiency in the payment of the Obligations.

20. **Overdue Amounts.** Until paid, all amounts due and payable by Company hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the note rate of interest.

21. **Governing Law; Consent to Jurisdiction.** THIS AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF MISSOURI. Company agrees that any suit for the enforcement of this Agreement may be brought in the courts of State or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon Company by mail at the address _____. Company hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

22. **Waiver of Jury Trial.** Company WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, Company waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Company (i) certifies that neither Lender nor any representative, agent or attorney of Lender has represented, expressly or otherwise, that Lender would not, in the event of litigation, seek to enforce the foregoing waivers and (ii) acknowledges that, in entering into the Agreement, Lender is relying upon, among other things, the waivers and certifications contained in this §22.

23. **Miscellaneous.** The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon Company and its respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. Company acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF, intending to be legally bound, Company has caused this Agreement to be duly executed as of the date first above written.

[Franchisee]

By: _____
[authorized party]

Accepted:

Aire-Master of America, Inc.

By: _____
Walter R. Heinle, President/Chief Operating Officer

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF MISSOURI)
) ss
COUNTY OF _____)

On this ____ day of _____, 202__, before me personally appeared _____ _____, to me personally known, who being duly sworn, did say that he/she is the _____ of _____, that the seal affixed to this instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and he/she acknowledged said instrument to be the free act and deed of said corporation.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal, at my office in _____ the day and year first above written.

_____
Notary Public
My Commission Expires:

[Notary Form may be modified depending on form of organization, if any of Franchisee]

STATE OF MISSOURI)
) ss
COUNTY OF _____)

On this _____ day of _____, 202___, before me personally appeared Walter R. Heinle, to me personally known, who being duly sworn, did say that he is the President/Chief Operating Officer of Aire-Master of America, Inc., that the seal affixed to this instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and he acknowledged said instrument to be the free act and deed of said corporation.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal, at my office in _____ the day and year first above written.

_____
Notary Public
My Commission Expires:

UCC/SecurityAgrUFOC/156521.doc

EXHIBIT A
NAMED COLLATERAL-SECURITY AGREEMENT

Aire-Master of America, Inc. franchise for the following counties in the state(s) of _____:

And, all inventory of goods of whatever description held for sale or lease by the debtor, now or existing or hereafter created or acquired by Debtor or in which Debtor now or hereafter acquires any rights, title or interest (all of the foregoing includes, without limitation, all accounts and/or contract rights arising out of or pertaining to the same), wherever located, together with all attachments, parts, accessories, additions and substitutions, including all returns and repossessions; all accounts, accounts receivable, contract rights, chattel paper and general intangibles, now owned or hereafter existing in favor of or acquired by debtor; all equipment, furniture and fixtures, wherever located, now owned or existing or hereafter created or acquired by Debtor or in which Debtor now or hereafter acquires any rights, title or interest (all of the foregoing includes, without limitation, all accounts and/or contract rights arising out of or pertaining to the same) and all replacements, substitutions and accessions thereto and thereof, all reserves, however created, of debtor in the possession or control of secured party all of debtor's rights to any rebates, discounts, credits, factory holdbacks and incentive payments which may become due to debtor by the manufacturer or distributor with respect to any of the inventory, and all proceeds from all or any part of the above described collateral, including, but not limited to, insurance proceeds payable by reason of loss or damage to any of the collateral, cash, goods, equipment, instruments, accounts, chattel paper, contract rights, general intangibles, replacement inventory or otherwise, used by debtors in operation of the above Aire-Master of America, Inc. franchise.

PERFECTION CERTIFICATE
(UCC Financing Statements)

The undersigned, the _____ of _____, a _____ (the "Company"), hereby certifies, with reference to a certain note and Security Agreement dated as of _____, 202___ (terms defined in such Security Agreement having the same meanings herein as specified therein), between Company and Aire-Master of America, Inc., a Missouri corporation (the "Lender"), to Lender as follows:

1. **Name.** Company's exact legal name as that name appears on its Certificate of Incorporation is: _____

2. **Other Identifying Factors.**

a. Company's mailing address is: _____.

b. If different from its mailing address, Company's place of business or, if more than one, its chief executive office is located at the following address:

Address	County	State

c. Company's type of organization is: _____.

d. Company's jurisdiction of organization is: _____.

e. Company's state issued organizational identification number is: _____.

3. **Other Names, Etc.**

(a) The following is a list of all other names (including trade names or similar appellations) used by Company, or any other business or organization to which Company became the successor by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise, now or at any time during the past five years:

_____

_____

(b) Attached hereto as Schedule 3 is the information required in §2 for any other business or organization to which Company became the successor by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise, now or at any time during the past five years.

4. **Other Current Locations.**

(a) The following are all other locations in the United States of America in which Company maintains any books or records relating to any of the Collateral consisting of accounts, instruments, chattel paper, general intangibles or mobile goods:

Address	County	State

(b) The following are all other places of business of Company in the United States of America:

Address	County	State

(c) The following are all other locations in the United States of America where any of the Collateral consisting of inventory or equipment is located:

Address	County	State

(d) The following are the names and addresses of all persons or entities other than Company, such as lessees, consignees, warehousemen or purchasers of chattel paper, which have possession or are intended to have possession of any of the Collateral consisting of instruments, chattel paper, inventory or equipment:

Name	Mailing Address	County	State

5. **Prior Locations.**

(a) Set forth below is the information required by §4(a) or (b) with respect to each location or place of business previously maintained by Company at any time during the past five years in a state in which Company has previously maintained a location or place of business at any time during the past four months:

Address	County	State

(b) Set forth below is the information required by §4(c) or (d) with respect to each other location at which, or other person or entity with which, any of the Collateral consisting of inventory or equipment has been previously held at any time during the past twelve months:

Address	County	State

6. **Fixtures.** Attached hereto as Schedule 6 is the information required by UCC §9-502(b) or former UCC §9-402(5) of each state in which any of the Collateral consisting of fixtures are or are to be located and the name and address of each real estate recording office where a mortgage on the real estate on which such fixtures are or are to be located would be recorded.

7. **Unusual Transactions.** Except for those purchases, acquisitions and other transactions described on Schedule 3 or on Schedule 7 attached hereto, all of the Collateral has been originated by Company in the ordinary course of Company's business or consists of goods which have been acquired by Company in the ordinary course from a person in the business of selling goods of that kind.

8. **File Search Reports.** Attached hereto as Schedule 8A is a true copy of a file search report from the Uniform Commercial Code filing officer (or, if such officer does not issue such reports, from an experienced Uniform Commercial Code search organization acceptable to Lender) (i) in each jurisdiction identified in §2(d) or in § 4 or 5 with respect to each name set forth in §1 or 3, (ii) from each filing officer in each real estate recording office identified on Schedule 6 with respect to real estate on which Collateral consisting of fixtures are or are to be located and (iii) in each jurisdiction in which any of the transactions described in Schedule 3 or 7 took place with respect to the legal name of the person from which Company

purchased or otherwise acquired any of the Collateral. Attached hereto as Schedule 8(B) is a true copy of each financing statement or other filing identified in such file search reports.

9. **UCC Filings.** A duly authorized financing statement, in a form acceptable to Lender and containing the indication of the Collateral set forth on Schedule 9(A) has been duly filed in the central Uniform Commercial Code filing office in the jurisdiction identified in §2(d) and in each real estate recording office referred to on Schedule 6 hereto. Attached hereto as Schedule 9(B) is a true copy of each such filing duly acknowledged or otherwise identified by the filing office.

10. **Termination Statements.** A duly signed or otherwise authorized termination statement in form acceptable to Lender has been duly filed in each applicable jurisdiction identified in §2(d), 3, 4 and 5 or on Schedule 3 or 7 hereto (or, in the case of Schedule 3 or 7 a release acceptable to Lender from the secured party of the person from which Company purchased or otherwise acquired the Collateral identified on Schedule 3 or 7) has been delivered to Lender. Attached hereto as Schedule 10 is a true copy of each such filing duly acknowledged or otherwise identified by the filing office (and of each such release).

11. **Schedule of Filing.** Attached hereto as Schedule 11 is a schedule setting forth filing information with respect to the filings described in §§9 and 10.

12. **Filing Fees.** All filing fees and taxes payable in connection with the filings described in §§9 and 10 have been paid.

[Franchisee]

_____

[authorized party]

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
				☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
				☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

EXHIBIT A
NAMED COLLATERAL-SECURITY AGREEMENT

Aire-Master of America, Inc. franchise for the following counties in the state(s) of _____:

And, all inventory of goods of whatever description held for sale or lease by the debtor, now or existing or hereafter created or acquired by Debtor or in which Debtor now or hereafter acquires any rights, title or interest (all of the foregoing includes, without limitation, all accounts and/or contract rights arising out of or pertaining to the same), wherever located, together with all attachments, parts, accessories, additions and substitutions, including all returns and repossessions; all accounts, accounts receivable, contract rights, chattel paper and general intangibles, now owned or hereafter existing in favor of or acquired by debtor; all equipment, furniture and fixtures, wherever located, now owned or existing or hereafter created or acquired by Debtor or in which Debtor now or hereafter acquires any rights, title or interest (all of the foregoing includes, without limitation, all accounts and/or contract rights arising out of or pertaining to the same) and all replacements, substitutions and accessions thereto and thereof, all reserves, however created, of debtor in the possession or control of secured party all of debtor's rights to any rebates, discounts, credits, factory holdbacks and incentive payments which may become due to debtor by the manufacturer or distributor with respect to any of the inventory, and all proceeds from all or any part of the above described collateral, including, but not limited to, insurance proceeds payable by reason of loss or damage to any of the collateral, cash, goods, equipment, instruments, accounts, chattel paper, contract rights, general intangibles, replacement inventory or otherwise, used by debtors in operation of the above Aire-Master of America, Inc. franchise.

Exhibit A.5
LOAN GUARANTEE AGREEMENT

FOR VALUE RECEIVED, and to enable _____ ("Debtor)," to obtain credit from time to time of Aire-Master of America, Inc. ("Lender"), we request Lender to extend to Debtor such credit as Lender may deem proper, and we hereby jointly and severally guarantee the full and prompt payment to Lender at maturity, and at all times thereafter, and also at the time hereafter provided, of any and all indebtedness, liability and obligations of every nature and kind of Debtor to Lender, and every balance and part thereof, whether now owing or due, or which may hereafter, from time to time, be owing or due, and howsoever heretofore or hereafter created or arising or evidenced, to the extent of _____ Dollars ($_____), and we jointly and severally also agree to pay in addition thereto, all costs, expenses and reasonable attorney's fees at any time paid or incurred in endeavoring to collect indebtedness, liabilities and obligations, and in and about enforcing this instrument.

All diligence in collection, and all presentment for payment, demand, protest, notice of protest, and notice of nonpayment, dishonor and default, and of the acceptance of this guaranty, and of any and all extensions of credit hereunder, are hereby expressly waived.

The granting of credit from time to time by Lender to Debtor in excess of the amount of this guaranty and without notice to the undersigned, is hereby authorized and shall in no way affect or impair this guaranty.

Authority and consent are hereby expressly given Lender from time to time, and without any notice to the undersigned, to give and make such extensions, renewals, indulgences, settlements and compromises as it may deem proper with respect to any of the indebtedness, liabilities and obligations covered by this guaranty, including the taking or releasing of security and surrendering of documents.

In case of the death, dissolution, liquidation, failure, insolvency or bankruptcy of Debtor, all of the indebtedness, liabilities and obligations, to the extent of the amount of this guaranty, shall, at the option of Lender, become immediately due from, and be forthwith paid by the undersigned to Lender, the same as though said debts, liabilities and obligations had matured by lapse of time.

This guaranty shall be construed according to the laws of the State of Missouri, in which state it shall be performed by the undersigned.

This guaranty shall be binding upon the undersigned jointly and severally, and upon the heirs, legal representatives and assigns of the undersigned, and each of them, respectively, and shall inure to the benefit of Lender, its successors, legal representatives and assigns.

Signed and sealed by the undersigned, this _____ day of _____, 202__.

_____

EXHIBIT A.6

[THIS DOCUMENT MAY REQUIRE REVISION TO COMPLY WITH LOCAL LAW]

DEED OF TRUST

THIS DEED, Made and entered into this _____ day of _____, 202__, by and between _____ of the County of _____ and State of Missouri ("Grantor"), _____ of the County of _____ and State of Missouri ("Trustee" and "Grantee"). Grantee's mailing address:_____.

WITNESSETH, That Grantor, in consideration of the debt and trust hereinafter mentioned and created, and the sum of Ten Dollars ($10.00) paid by Grantee to Grantor, the receipt and sufficiency of which is hereby acknowledged, do\es by these presents, Grant, Bargain and Sell, Convey and Confirm unto Trustee, as Grantee, the following described real estate, situated, lying and being in the County of _____ and State of Missouri, to wit:

[legal description]

TO HAVE AND HOLD the same with the appurtenances to Trustee, and to Trustee's successors and assigns, forever, In trust, however, for the following purpose:

NOW THEREFORE, if Grantor, or anyone for Grantor shall well and truly pay off and discharge the debt and interest expressed in the Note and every part thereof ("Debt" or "Indebtedness"), when the same shall become due, which Grantor agrees to do, and payable according to the true tenor, date and effect of the Note, then this deed shall be void, and the Property shall be released at the cost of Grantor; but should Grantor fail or refuse to pay the Debt, or interest or any part thereof due on the Debt, and pay, when due, all taxes and assessments, general and special, hereafter levied or charged upon the Property, and keep the covenants herein contained and the improvements on the Property continuously insured by an insurance company, to Beneficiary's satisfaction in the sum of _____ Dollars ($____), and the policies therefore assigned and delivered to Beneficiary, and keep the Property clear of all statutory lien claims and interest, or any part thereof, when the same or any part thereof shall become due and payable, according to the true tenor and effect of the Note or default in any of the terms of the Note or this Deed of Trust, or to pay any of said taxes, or effect such insurance, or discharge such statutory lien claims, then the holder of part thereof, when the same or any part thereof shall become due and payable, according to the true tenor and effect of the Note or default in any of the terms of the Note or this Deed of Trust, or to pay any of said taxes, or effect such insurance, or discharge such statutory lien claims, then the holder of the Note, or any part thereof, may pay the same, and the sums so paid shall bear interest at the rate of ___ percent (___%) per annum, and be a charge upon the Property and secured by this deed, and upon any such failure or refusal, or upon any breach of any covenant herein contained, expressed or implied, this deed shall remain in full force; and at the option of the holder of the Note, or any part thereof, the whole of the Indebtedness shall, without notice to Grantor\s, become due and payable forthwith, and Trustee, or in case of Trustee's absence, death or refusal to act, or disability in anywise, when part thereof, when the same or any part thereof shall become due and payable, according to the true tenor and effect of the Note or default in any of the terms of the Note or this Deed of Trust, or to pay any of said taxes, or effect such insurance, or discharge such statutory lien claims, then the holder of the Note, or any part thereof, may pay the same, and the sums so paid shall bear interest at the rate of ___ percent (___%) per annum, and be a charge

upon the Property and secured by this deed, and upon any such failure or refusal, or upon any breach of any covenant herein contained, expressed or implied, this deed shall remain in full force; and at the option of the holder of the Note, or any part thereof, the whole of the Indebtedness shall, without notice to Grantor\s, become due and payable forthwith, and Trustee, or in case of Trustee's absence, death or refusal to act, or disability in anywise, when any advertisement and sale are to be made hereunder, then whoever shall be sheriff of _____ County, Missouri ("Sheriff"), at the time any such advertisement and sale are to be made (who shall thereupon for the purposes of that advertisement and sale succeed to Trustee's title to the Property and the trust herein created respecting same), may proceed to sell the Property or any part thereof, at public venue to the highest bidder, at the front door of the Circuit Courthouse at which sheriff's sales are usually made, in the County of _____ at _____, Missouri, for cash, first giving twenty (20) day's notice of the time, terms and place of sale, and of the property to be sold, by advertisement in some newspaper printed and published in said county, and upon such sale shall execute and deliver a deed in fee simple of the property sold to the purchaser or purchasers thereof, and receive the proceeds of said sale; and any statement of facts or recitals by Trustee, or any person assuming to act as successor to Trustee, in relation to the non-payment of the money secured or agreed to be paid or default in or breach of any condition, covenant, or agreement herein, the advertisement, sale, receipt of the money, appointment as successor or happening of any fact preliminary to the succession as trustee of such person, shall be received as prima facie evidence of such facts and such trustee shall out of the proceeds of said sale pay first, the costs and expenses of executing this trust, including legal compensation to Trustee for Trustee's services, and reasonable attorney's fees which shall be immediately due upon first publication of sale aforesaid; and next shall apply the proceeds remaining over to the payment of taxes, insurance and statutory lien claims paid by the holders of Indebtedness, and interest thereon, as aforesaid; and next, to the payment of Debt and interest, or so much thereof as remains unpaid; and the remainder, if any, shall be paid to Grantor\s, or Grantor\'s\s' legal representatives; and in case any suit is instituted for the foreclosure of this Deed of Trust Grantor\s will pay reasonable attorney's fees, which shall also be payable upon institution of suit, and that a decree and judgment may be rendered for the payment of the said sum out of the proceeds of sale upon foreclosure, or otherwise, in addition to the taxable costs of such suits. And upon default in performance of the agreements herein, or payment of any moneys hereby secured, in case of foreclosure by suit, by the holder of the Indebtedness, or any part thereof, a receiver to take possession of and collect the rents and profits of the Property shall be appointed as a matter of right, at the instance of holder or holders of Indebtedness or any part thereof.

It is further provided and agreed that without Trustee's death, absence, refusal or inability to act of Trustee, Beneficiary, or any legal holder of the Note or Notes, or the attorney-in-fact of either of them, may by writing, signed and acknowledged, with or without Trustee's consent, and at any time appoint a successor to Trustee in Trustee's stead or place, other than said sheriff, which successor shall thereupon become vested with all the estate, interest, power and rights in or concerning said lands or property, or any part thereof, granted to or vested in Trustee by this deed.

It is further agreed that Trustee or Trustee's successor(s) may sell or convey the Property under the power aforesaid, although Trustee or Trustee's successor has been, may now be, or may hereafter at any time be, the agent or attorney of Beneficiary or the holder of the Notes, and all right of equity or redemption upon such sale shall cease and be thereby determined notwithstanding Trustee may be such attorney or agent, and whether the holder of the Note or some other person is the purchaser at such sale.

Until some default in the condition hereof occurs, Trustee lets and demises the Property to Grantor, for which Grantor agrees to pay the sum of one cent ($.01) per month. And Grantor further agrees that should default occur and sale under this deed be made, then upon such sale Grantors, or the then owner or occupant of Property, shall become the tenant of the purchaser of the Property from month to month at a rental of _____ Dollars ($_____) per month.

IN WITNESS WHEREOF, Grantor has hereunto set his hand and seal the day and year first above written.

_____

STATE OF MISSOURI)
)ss
COUNTY OF _____)

On this _____ day of _____ A.D., 202___, before me, personally appeared _____ to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed. Witness my hand and Notarial seal subscribed and affixed in said County and State the day and year in this certificate above written.

_____
Notary Public

_____
Print Name
My Commission is in _____ County.
My Commission Expires:

Exhibit A.7
RELEASE AND CONSENT TO TRANSFER AGREEMENT

THIS AGREEMENT ("Agreement"), made effective the ___ day of _____, 202__, ("Effective Date") by and between Aire-Master of America, Inc., a Missouri corporation ("Aire-Master"), and _____, dba Aire-Master of _____ ("Franchise"), and _____ _____ and _____ _____ as guarantor(s) (individually or collectively "Guarantor").

WHEREAS, Aire-Master, Franchisee, and Guarantor entered into a franchise agreement dated _____, 202__, together with any amendments thereto (the "Franchise Agreement"), for the Territory set forth on Exhibit A ("Territory"). Capitalized terms used herein but not otherwise defined herein have the meanings ascribed in the Franchise Agreement unless otherwise expressly stated or clearly required by the context.

WHEREAS, the Franchise Agreement contains certain provisions regarding transfer and Franchisee desires to transfer its/their interest in the Franchise Agreement to _____ _____ ("Transferee").

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Aire-Master waives it right of first refusal to acquire Franchisee's Franchise.

2. Aire-Master consents to Franchisee's transfer of its/their interest in the Franchise Agreement and Territory as set forth on Exhibit B to Transferee, subject to Franchise and or the Transferee complying with the following:

a. satisfaction of all Franchisee's accrued monetary obligations to Aire-Master and all other outstanding obligations related to the Licensed Business;

b. Transferee demonstrates to Aire-Master's satisfaction that it:

i. meets Aire-Master's managerial and business standards;
ii. possesses a good moral character, business reputation, and credit rating;

iii. has the aptitude and ability to conduct the Licensed Business herein (as may be evidenced by prior related business experience or otherwise);

iv. has adequate financial resources and capital to operate the Licensed Business; and

v. otherwise meets the then current requirements for new franchisees.

c. Transferee furnishes to Aire-Master the financial and other information or documents Aire-Master requests, and completes the forms or documents Aire-Master requires.

d. Transferee executes (and/or, on Aire-Master's request, causes all interested parties to execute) Aire-Master's then current standard form franchise agreement and other ancillary agreement(s) Aire-Master requires.

e. At the transferee's expense and on other terms and conditions Aire-Master reasonably requires, transferee and/or transferee's manager completes the training course then in effect for new franchisees.

f. Payment to Aire-Master of the Ten Thousand Five Hundred Dollars ($10,500.00) transfer fee for any assignment or splitting of the Territory, for each Territory or portion thereof transferred to separate persons or entities.

3. All terms and provisions of the Franchise Agreement which by their terms continue beyond the termination of the franchisee granted shall continue in full force and effect.

4. Franchisee shall immediately as of the Effective Date cease to have the right to perform any services or use, by advertising or in any manner whatsoever the System and shall comply with the Franchise Agreement provisions on termination, specifically including provisions preventing competition and maintaining confidentiality of all information, knowledge, know how, and operational information pertaining to the Franchises and the System not generally known or otherwise available to persons not holding an Aire-Master franchise, except to the extent that there is some other specific agreement in writing to the contrary.

5. Franchisee, for itself, its successors and assigns, forever releases, acquits, and discharges Aire-Master, its directors and officers, employees or agents, their successors and assigns and any person or entity liable on their behalf of and from all claims of any kind whatsoever past or present, including claims for damages, costs, expenses and attorney's fees, whether known or unknown, whether at law or equity, whether in tort or in contract, or under statute or otherwise.

6. Guarantor, for themselves, their heirs, executors, administrators, successors and assigns forever releases, acquits, and discharges Aire-Master, its directors and officers, employees or agents, their successors and assigns and any person or entity liable on their behalf of and from all claims of any kind whatsoever past or present, including claims for damages, costs, expenses and attorney's fees, whether known or unknown, whether at law or equity, whether in tort or in contract, or under statute or otherwise.

7. Aire-Master, for itself, its successors and assigns forever releases, acquits, and discharges Franchisee, its directors and officers, employees or agents, their successors and assigns of and from all claims of any kind whatsoever past or present, including claims for damages, costs, expenses and attorney's fees, whether known or unknown, whether at law or equity, whether in tort or in contract, or under statute or otherwise, except with regard to the continuing obligations of Franchisee as are provided for in this Agreement.

8. Aire-Master, for itself, its successors and assigns forever releases, acquits, and discharges Guarantor, their heirs, executors, administrators, successors and assigns of and from all claims of any kind whatsoever past or present, including claims for damages, costs, expenses and attorney's fees, whether known or unknown, whether at law or equity, whether in tort or in contract, or under statute or otherwise, except with regard to the continuing obligations of Franchisee as are provided for in this Agreement.

9. This is a Missouri contract and shall be governed by laws of that state. This Contract may be modified only by written instrument signed by all the parties hereto. Any notices required herein are effective on deposit in the United States mail, postage prepaid by Certified Mail or Registered Mail, return receipt requested to the last known address of the respective party to receive notice. This Agreement contains the entire agreement of the parties and there are no other agreements, warranties or representations, oral or otherwise. Each party has the right to seek to

obtain injunctive relief against threatened conduct that will cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. If default results in litigation, the prevailing party shall recover, in addition to damages or equitable relief, the cost of litigation, interest from the date of default at the rate of 10% per annum, and a reasonable attorney's fee. Franchisee and Guarantor, by entering into this Agreement, hereby personally submit to and acknowledge the personal jurisdiction of the Circuit Court of the Judicial Circuit of the State of Missouri, and of the Federal Court for the Western District of Missouri. This Contract shall be binding upon and shall operate for the benefit of the parties hereto. Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies under or by reason of this Agreement on any person or legal entity other than Aire-Master, Franchisee or Guarantor. This Contract shall be binding on the parties' respective executors, administrators, successors, heirs and assigns.

IN WITNESS HEREOF, the parties have hereunto set their hands and seals effective the date first written above.

FRANCHISOR: Aire-Master of America, Inc.

By:_____
Walter R. Heinle, President/Chief Operating Officer

(SEAL)

ATTEST:

_____
Walter R. Heinle, Assistant Secretary

FRANCHISEE: _____

_____

_____

(SEAL)

ATTEST:

_____
, Secretary

GUARANTOR(S): _____

_____

STATE OF MISSOURI)
) ss
COUNTY OF CHRISTIAN)

On this ____ day of _____, 202____, before me personally appeared Walter R. Heinle, to me known personally, who being duly sworn did say that he is President/Chief Operating Officer of Aire-Master of America, Inc., that the seal affixed to this instrument is the Corporate seal of said Corporation and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors and Walter R. Heinle acknowledges said instrument to be the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Nixa, Missouri, the day and year first above written.

_____
Notary Public
My Commission Expires:

STATE OF)
) ss
COUNTY OF)

On this ____ day of _____, 202___, before me personally appeared _____ _____, who being duly sworn did say that he/she is President of Franchisee, that the seal affixed to this instrument is the Corporate seal of said Corporation and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors and _____ acknowledges said instrument to be the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in _____, the day and year first above written.

_____
Notary Public
My Commission Expires:

STATE OF)
) ss
COUNTY OF)

On this ____ day of _____, 202___, before me personally appeared _____ and _____, husband and wife, to me known to be the persons described in and who executed the foregoing instrument in their individual capacities, and acknowledged that they executed the same as their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in _____, the day and year first above written.

_____
Notary Public
My Commission Expires:

Exhibit A.8
Designated Persons / Patriot Act Affidavit

State of _____)
) ss
County of _____)

The undersigned, being duly sworn, deposes and says:

Neither I, my Affiliates, or the direct or indirect owner of any stock, membership interests or other ownership interests in any of the foregoing (collectively, "Transaction Persons") is subject to sanctions of the United States government or in violation of any applicable laws relating to terrorism or money laundering, including Executive Order No. 13224, 66 Fed. Reg. 49079 ("Terrorism Executive Order") or a Person similarly designated under any related enabling legislation or any other similar executive order (collectively with the Terrorism Executive Order, the "Executive Orders"), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, "Patriot Act"), any sanctions and regulations promulgated and as amended from time to time under authority granted by the Trading with the Enemy Act, 50 U.S.C. App. 1-44, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Iraqi Sanctions Act, Publ. L. 101-513; United Nations Participation Act, 22 U.S.C. § 287c, the International Security and Development Cooperation Act, 22 U.S.C. § 2349 aa-9, the Cuban Democracy Act, 22 U.S.C. §§ 6001-10, the Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 2339b, and the Foreign Narcotics Kingpin Designation Act, Publ. L. 106-120.

None of the Transaction Persons is: (i) listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, and/or any other similar list (the "Lists") maintained by that office pursuant to any authorizing statute, Executive Order or regulation; or (ii) a Person ("Designated Person") either: (A) included within the term "designated national" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515; or (B) designated under Sections 1(a), 1(b), 1(c), or 1(d) of the Terrorism Executive Order or a Person similarly designated under any related enabling legislation or any similar Executive Orders.

None of the Transaction Persons is or will knowingly: (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Designated Person; (ii) deal in, or otherwise engage in, any transaction relating to any property or interest in property blocked pursuant to any Executive Order or the Patriot Act; or (iii) engage in or conspire to engage in any transaction that evades or avoid, or has the purpose of evading or avoiding, or attempts to violate, any of the provisions set forth in any Executive Order or the Patriot Act.

All individuals and entities who are direct, indirect, or beneficial owners of stock, membership interests or other ownership interests of your affiant and your affiant's entity _____ are correctly identified below: (if none, state) _____.

IN WITNESS WHEREOF, I have executed this instrument on this _____ day of _____, 202__.

_____

On this ___ day of _____, 202__, before me personally came _____, to be known and known to me as the individual described in and who executed the foregoing document and acknowledged to me that s/he, executed the same.

_____

EXHIBIT A.9
AIRE-MASTER OF AMERICA, INC.
PRE-FRANCHISE AGREEMENT EXECUTION
DEPOSIT AGREEMENT

WHEREAS, _____ and _____, ("Applicant") have/has applied for consideration to become an Aire-Master System franchisee, and assuming successful completion of the application process, Applicant and Aire-Master of America, Inc. ("Franchisor"), anticipate entering into a Franchise Agreement ("Franchise Agreement").

AND WHEREAS, Franchisor will expend significant time and effort and incur significant expense in reviewing the application anticipate of signing the Franchise Agreement, and [NOTE THIS COMMITMENT] Franchisor agrees not to grant a franchise for the territory for which Applicant is under consideration until Franchisor's final determination of whether or not to award a franchise to Applicant.

In consideration of Franchisor's consideration of Applicant and review of Applicant and not awarding other franchises for the territory under consideration, and Applicant's application for consideration, Franchisor and Applicant agree that:

1. Applicant will deposit _____ ($__,_____.00_) ("Deposit") with Franchisor to be applied against the Franchise Fee to be paid by Applicant if a Franchise Agreement is actually entered into, or to compensate Franchisor for review of Applicant's application and refraining from granting another franchise to the territory under consideration.

2. If either: (i) Applicant decides not to continue with the application process and or to enter into a Franchise Agreement, or (ii) Franchisor does not finally approve Applicant to enter into a Franchise Agreement, then the Deposit shall be applied as follows:

3. Prior to Franchisor taking any action to consider the Applicant's request for consideration, 100% of the Deposit shall be refunded to Applicant.

4. After Franchisor commences review of the application and investigation of the Applicant, but prior to Franchisor's approval of Applicant as a franchisee, Franchisor shall retain One Thousand and NO/100's Dollars ($1,000.00) of the Deposit, and the balance of the Deposit shall be refunded to Applicant;

5. After Franchisor's final approval of Applicant, if Applicant does not enter into a Franchise Agreement, Franchisor shall retain ALL of the Deposit, and NONE of the Deposit shall be refunded to Applicant.

IN WITNESS HEREOF, the parties have hereunto set their hands and seals effective the _____ day of _____, 202___.

FRANCHISOR: AIRE-MASTER OF AMERICA, INC.

BY: _____
Walter R. Heinle, President/Chief Operating Officer

APPLICANT: _____

Exhibit A.10

ADDENDUM
TO AIRE-MASTER OF AMERICA, INC.
FRANCHISE AGREEMENT DATED
_____, _____

WHEREAS, Aire-Master of America, Inc. ("Franchisor"), and _____ and _____ _____, doing business as Aire-Master of _____ ("Franchisee"), entered into a Franchise Agreement dated _____ ___, _____ (the "Franchise Agreement" and "Effective Date", respectively).

AND, WHEREAS, the parties desire to amend the Franchise Agreement to comply with said statutory requirements.

In consideration of the original Franchise Agreement and this First Addendum thereto, Franchisor and Franchisee do agree as follows:

1. Payment of the initial franchise fee provided in paragraph 5.1 of the Franchise Agreement is postponed and shall be made on the earlier of:

2. Two (2) years from the Effective Date; or

3. Transfer of the franchise as provided for in paragraph 8 of the Franchise Agreement.

4. Except as expressly provided herein, all other terms of the Franchise Agreement shall remain in full force and effect.

IN WITNESS HEREOF, the parties have hereunto set their hands and seals effective the _____ day of _____, 202__.

FRANCHISOR:AIRE-MASTER OF AMERICA, INC.

BY: _____
Walter R. Heinle, President/Chief Operating Officer

FRANCHISEE: _____

Exhibit A.11

ADDENDUM TO
AIRE-MASTER OF AMERICA, INC. FRANCHISE AGREEMENT
DATED _____, _____

WHEREAS, Aire-Master of America, Inc. ("Franchisor"), and _____ and _____, doing business as Aire-Master of _____ ("Franchisee"), entered into a Franchise Agreement dated _____ ___, _____ ("Franchise Agreement"), and _____ _____ and _____, _____ (address) (individually or collectively "Guarantor"), who are individually guarantying Franchisee's performance under and agreeing to be bound by certain provisions of the Franchise Agreement.

AND, WHEREAS, the parties desire to amend the Franchise Agreement.

In consideration of the original Franchise Agreement and this First Addendum thereto, Franchisor and Franchisee do agree that:

1. Section 2.3 is amended to read: "The term of this Agreement is for two (2) years beginning _____ ___, 202__ ("Initial Term"). Franchisee has the option to continue the Franchise Agreement, and renew for additional successive three (3) year terms through a final termination date of _____, 20____, as limited by this Agreement ("Option"). Franchisee may exercise the Option at any time during the Initial Term and up to Thirty (30) days prior to the end of the Initial Term. Franchisee shall exercise the Option by notifying Aire-Master in writing at least Thirty (30) days prior to the end of the Initial Term, together with delivery of the payment provided herein, as amended. Failure to include the payment voids the election. Franchisee's option to continue this Franchise Agreement is subject to: (i) Franchisee being in full compliance with, and having met the gross sales requirements under, this Franchise Agreement, and (ii) Franchisee and any entity controlled by Franchisee or Franchisee's spouse, or more than 5% of which is owned by Franchisee or Franchisee's spouse, being in full compliance with and having met the gross sales requirements under any franchise agreement they are a party to, determined at the date of Franchisee exercising the Option. Franchisee's failure to exercise the Option is a Termination and the provisions of Section 7 shall apply;".

2. [OPTIONAL BASED ON SATISFACTORY TRAINING HAVING OCCURRED] Based on Franchisee and its managerial staff having completed the required training, Section 3.5.a is amended to read "RESERVED".

3. Section 5.1 is amended to read: "Franchisee agrees to pay to Aire-Master One Hundred and No/100 Dollars ($100.00). If Franchisee elects to exercise the Option, Franchisee agrees to pay to Aire-Master Aire-Master's standard franchisee fee for the Territory applicable at the time of Franchisee's exercise of the option (currently .10 per person in the territory population (minimum of $30,000), plus initial inventory commitment of $4,000 as product credit on a new franchise). Franchisee shall deliver such amount to Aire-Master with the notice of exercise of the Option, or the exercise of the Option is void."

4. Except as expressly provided herein, all other terms of the Franchise Agreement shall remain in full force and effect.

IN WITNESS HEREOF, the parties have set their hands and seals effective _____, 202__.

FRANCHISOR: Aire-Master Of America, Inc.

BY: _____
Walter R. Heinle, President/Chief Operating Officer

FRANCHISEE: _____

_____

GUARANTOR(S): _____

_____

Exhibit A.12

[THE VARIOUS "WHEREAS" PROVISIONS AND NUMBERED PARAGRAPHS BELOW ARE USED AS APPLICABLE]

ADDENDUM TO
AIRE-MASTER OF AMERICA, INC. FRANCHISE AGREEMENT
DATED _____, _____

WHEREAS, Aire-Master of America, Inc. ("Franchisor"), and _____ and _____, doing business as Aire-Master of _____ ("Franchisee"), entered into a Franchise Agreement dated _____ ___, _____ ("Franchise Agreement"), and _____ _____ and _____, _____ (address) (individually or collectively "Guarantor"), who are individually guarantying Franchisee's performance under and agreeing to be bound by certain provisions of the Franchise Agreement.

[WHEREAS, Franchisee desires to transfer a portion of Franchisee's Territory to _____ [Franchisor], Franchisor is willing to consent to [and accept] such transfer, and the parties desire to amend the Franchise Agreement to revise the original Territory [as previously amended], and amend and restate Schedule B to delete the transferred territory and substitute an entirely new Schedule B identifying the remaining Territory.]

[WHEREAS, Franchisee desires to add additional territory (the "External-Territory") to Franchisee's Territory, Franchisor is willing to license additional territory to Franchisee, and the parties desire to amend the Franchise Agreement to revise the original territory, and amend and restate and substitute an entirely new Schedule B to delete the transferred Territory and identify the remaining Territory.]

[WHEREAS, Franchisee desires to establish and service accounts outside of the Territory which is prohibited by Section 3.9 without Franchisor's consent, Franchisor is willing to license additional territory to Franchisee, and the parties desire to amend the Franchise Agreement by adding [a new / amended and restated] Schedule B.1 identifying External-Territory.]

AND, WHEREAS, the parties desire to amend the Franchise Agreement.

In consideration of the original Franchise Agreement and this [**First**] Addendum thereto, Franchisor and Franchisee do agree that:

1. Capitalized terms not otherwise defined have the meanings ascribed in the Franchise Agreement unless otherwise expressly stated or defined herein or otherwise clearly required by the context.
2. _____ is added as an additional Franchisee.
3. _____ is deleted as a Franchisee.
4. Franchisor consents to the transfer of a portion of Franchisee's Territory as set forth on Schedule A to _____ [Franchisor], pursuant to Franchise Agreement Section 7.
5. Franchise Agreement Schedule B is hereby deleted in its entirety and a new Schedule B as attached hereto is inserted in lieu thereof.

6. Franchisor consents to Franchisee establishing and servicing accounts outside of Franchisee's Territory as identified in Schedule B.1, pursuant to Franchise Agreement Section 3.9.
7. All Schedules and Exhibits attached hereto are hereby incorporated herein by reference.
8. Except as expressly provided herein, all other terms of the Franchise Agreement remain in full force and effect.

IN WITNESS HEREOF, the parties have hereunto set their hands and seals effective the _____ day of _____, 202__.

FRANCHISOR: AIRE-MASTER OF AMERICA, INC.

BY: _____
Walter R. Heinle, President/Chief Operating Officer

FRANCHISEE: _____

_____

GUARANTOR(S): _____

_____

Exhibit B.1
CURRENT FRANCHISEES

Alabama:	Aire-Master of Central Alabama Marty Lax PO Box 43002 Birmingham, AL 35243-3002 205-547-0199	(see Georgia)
Arizona:	Aire-Master of Tucson Tony & Vangie Carranza PO Box 1696 Cortaro, AZ 85652 520-303-1523	Aire-Master of Phoenix Isaac & Aude Monson, & Jess Beckman PO Box 43258 Phoenix, AZ 85080-3258 855-602-AIRE
	Aire-Master of Arizona Graeme Flexman 1635 W Harris Ave Queen Creek, AZ 85142 480-415-7137	
Arkansas:	Aire-Master of River Valley Brooke Brach PO Box 1450 Jenks, OK 74037 479-957-3237	Aire-Master of Northwest Arkansas Alexa Brach PO Box 8235 Springdale, AR 72766 479-957-7879
		(see Texas)
California:	Aire-Master of the North Bay Ron Bruder PO Box 1301 Alamo, CA 94507-1301 925-550-0560	Aire-Master of Eastern Los Angeles County Rick Epperson PO Box 2562 Apple Valley, CA 92307 760-885-2475
	Aire-Master of Northern California Sara Westerman PO Box 4599 Auburn CA 95604-4599 775-391-8040	Aire-Master of San Diego Tony & Vangie Carranza, Jess Beckman, and Isaac & Aude Monson P.O. Box 43258 Phoenix, AZ 85080 855-602-2473
	Aire-Master of Los Angeles County Josh Haslam & Roury McDermott 8117 Manchester Ave., #604 Playa del Rey, CA 90293 801-707-5279	Aire-Master of the East Bay Jared Peterson & Pete Best PO Box 96924 Las Vegas, NV 89193-6924 702-892-0004

Aire-Master of Coastal California
Arie Troyce
PO Box 910724
San Diego, CA 92191-0724
858-342-5353

Aire-Master of Central California
Roman & Krychele Valenzuela
1397 W. Carriage View Court
South Jordan, UT 84065
801-860-5569

Aire-Master of North Los Angeles County
Ali Moghaddam
23928 Bennington Dr
Valencia, CA 91354
805-754-0247

Colorado:

Aire-Master of the Rockies
Derek & Dede Shibe
P.O. Box 62715
Colorado Springs, CO 80962-2715
719-494-0801

Aire-Master of South Denver
Emerson Cheever
PO Box 7491
Colorado Springs, CO 80933
719-473-1862

Aire-Master of Arapahoe
J. Logan Patterson
PO Box 2385
Colorado Springs, CO 80903-2385
719-373-4300

Aire-Master of North Denver
J. Logan Patterson
PO Box 2385
Colorado Springs, CO 80903-2385
719-373-4300

Aire-Master of Northern Colorado
John Beck
310 W. Prospect Rd.
Fort Collins, CO 80526
970-481-4845

Aire-Master of West Denver
Mike Whitacre
12081 W Alameda Pkwy, Ste 198
Lakewood, CO 80228
303-589-7116

Aire-Master of Colorado Highlands
Daniel & Laura Tucker
PO Box 2500
Loveland, CO 80539-2500
970-215-3257

Aire-Master of Denver
Terry & Anne Shuck
PO Box 33011
Northglenn, CO 80233-3011
720-324-0494

Delaware:

Aire-Master of Delmarva
John & Melanie Michalik
5270 Baker Rd.
Bridgeville, DE 19933
302-628-8042

(also contains territory in Maryland)

Florida:

Aire-Master of Central Florida
Greg & Barbara Nelsen
P.O. Box 301095
Fern Park, FL 32730-1095
407-332-9310

Aire-Master of Metro Orlando
Chris & Suzie Lilly
PO Box 1747
Goldenrod, FL 32733
407-977-0373

Aire-Master of Northeast Florida
Patrick & Chas Griggs
P.O. Box 28031
Jacksonville, FL 32226-8031
866-802-0444

Aire-Master of Broward County
Massimo Roccasecca
11301 S. Dixie Hwy, #565776
Miami, FL 33256
786-353-0010

Aire-Master Miami
Brian & Marisol Rogers
11301 S. Dixie Hwy, #565776
Miami, FL 33256
305-760-9500

Aire-Master of Naples
Lonnie Morris and Lewis Litt
5806 Commerce Lane
Miami, FL 33143
239-880-8003

Aire-Master of Palm Beach
Felix Valdez
11301 S. Dixie Hwy, #565776
Miami, FL 33255
305-760-9500

Aire-Master of North Broward
Steven Minor
PO Box 23544
Oakland Park, FL 33307
786-614-4932

Aire-Master of Gainesville
David & Jordan Cole
PO Box 148
Osteen, FL 32764
609-217-1398

Aire-Master of Eastern Florida
Noah & Amanda Champlin
PO Box 560554
Rockledge, FL 32956-0554
719-650-3701

Aire-Master of Tampa Bay
Leonardo Liberato, Marcio Vieira
7703 Ann Ballard Rd.
Tampa, FL 33634
813-616-8586

(see Georgia)

Georgia:

Aire-Master of Atlanta
Henry & Rhonda Mez
P.O. Box 2229
Cartersville, GA 30120-2229
770-386-7822

(also contains territory in Florida, Alabama & Tennessee)

Hawaii

Aire-Master of Honolulu
George Doi
3342 Pawaiina Street
Honolulu, HI 96822
808-284-2858

Idaho:

Aire-Master of Inland Empire
Donna Bates
PO Box 2286
Hayden, ID 83835-2286
208-699-4145

Aire-Master of Southern Idaho
Tina Hawthorne
P.O. Box 490
Middleton, ID 83644-0490
208-466-0700
(also contains territory in Oregon)

Aire-Master of the Gem State
Patty Thies
P.O. Box 3042
Nampa, ID 83653-3042
208-250-9221

Aire-Master of Magic Valley
Edward & Sytoria Zigmond
Nampa, ID 83653-3395
208-880-6514
(also contains territory in Nevada)

Aire-Master of Eastern Idaho
Morgan & Elizabeth Bates
P.O. Box 4056
Pocatello, ID 83205-4056
208-220-1193
(also contains territory in Wyoming)

Illinois:

Aire-Master of Chicago
Brian Olson
PO Box 10931
Chicago, IL 60610-0394
312-622-6319

(see Iowa and Wisconsin)

Aire-Master of Suburban Chicagoland
Joe & Sheryl Johnson
PO Box 9233
Naperville, IL 60567-9233
630-649-0721

Indiana:

Aire-Master of West Central Indiana
Linda & Delbert Deplanty
3655 E. State Rd 234
Crawfordville, IN 47933
765-592-1860

Iowa:

Aire-Master of Eastern Iowa
Mel & Stephanie Welch
P.O. Box 206
Swisher, IA 52338-0206
319-470-4623
(also contains territory in Illinois)

(see South Dakota)

Aire-Master of South Central Iowa
Brandon & Aaron DeWeerd
PO Box 576
Waukee, IA 50263-0576
515-326-2800

Kansas:

Aire-Master of Eastern Kansas
Chad & Lora Mortier
PO Box 5050
Topeka, KS 66605-5050
785-221-0520

(see Missouri)

Louisiana:

Aire-Master of the Gulf Coast
Michael & Jennifer Breaux
P.O. Box 2601
Mandeville, LA 70471-2601
985-807-5337

(see Texas)

Maryland:

Aire-Master of Southern Maryland
Anthony Dozier
26 Thurston Drive
Upper Marlboro, MD 20774
301-440-7226

(see Delaware)

Massachusetts:

Aire-Master of Central Massachusetts
Jack Roy
280 Brandybrow Road
Haverhill, MA 01830
978-314-9189

Michigan:

Aire-Master of Southwest Michigan
Sue Schomisch
2153 Wildfield Drive Northeast
Grand Rapids, MI 49505
919-622-0777

Mississippi:

Aire-Master of Northern Mississippi
Carver & Robyn Sims
163 Nottingham Drive
Batesville, MS 38606
662-426-8691

Aire-Master of Mid Mississippi
Neal & Angela Milligan
141 Green Glades
Ridgeland, MS 39157
601-497-3251

Aire-Master of South Mississippi
Ben & Lenell Riley
PO Box 6295
Gulfport, MS 39506
228-596-9310

Missouri:

Aire-Master of Kansas City
Jerry Rockhold
P.O. Box 25872
Overland Park, KS 66225-5872
913-634-6877
(also contains territory in Kansas)

Aire-Master of West St. Louis
Steve & Lisa Bornhop
P.O. Box 1464
St. Charles, MO 63302-1464
314-374-1286

Aire-Master of the Pony Express
Warren Ott
1918 E. Meadowmere
Springfield, MO 65804
800-641-4002
(also contains territory in Kansas)

Aire-Master of North St. Louis
Ron, John & Linda Belcher
PO Box 865
St. Peters, MO 63376-0865
314-315-0422

Aire-Master of Mid Missouri
Timothy and Terri Lea
307 Hwy U
Steelville, MO 65565
573-820-7534

Aire-Master of Central Missouri
Shannon Douglas
PO Box 562
Sullivan, MO 63080-0562
573-927-2912

Aire-Master of Metro St. Louis
Cheryl Harris
61 Fox Run Drive
Wright City, MO 63390
636-233-2749

Montana:

Aire-Master of the Northern Rockies
Randy Robertson
PMB #105
2047 N. Last Chance Gulch
Helena, MT 59601
406-461-0040

Aire-Master of Western Montana
Chance Anderson
901 Idlewilde Ct
Helena, MT 59601
406-461-8957

Nebraska:

Aire-Master of Eastern Nebraska
Mark & Michelle Rule
PO Box 460787
La Vista, NE 68128-0787
402-490-7626

(see South Dakota)

Nevada:	Aire-Master of Las Vegas Pete Best & Jared Peterson PO Box 96924 Las Vegas, NV 89193-6924 702-892-0004	Aire-Master of Reno Kyle & Carly Sipherd PO Box 10345 Reno, NV 89510-0345 775-391-8040
New Jersey:	Aire-Master of Essex County Rionel Cabrera PO Box 11314 Fairfield, NJ 07004-1314 973-336-0207	Aire-Master of North Jersey Ricky Luna and John Valdez PO Box 3178 Paterson, NJ 07524-3178 973-277-8301
	Aire-Master of East Jersey Karen Jarvie and Erica Ward PO Box 1024 Toms River, NJ 08754-1024 732-703-6652	Aire-Master of Central New Jersey Terry Cole P.O. Box 1389 Wrightstown, NJ 08562-1389 609-758-2405 (also contains territory in Pennsylvania)
New Mexico:	Aire-Master of Central New Mexico Zach & Sarah Taylor PO Box 53053 Albuquerque, NM 87153-3053 505-286-0874	Aire-Master of the Four Corners J. Logan Patterson PO Box 2385 Colorado Springs, CO 80903-2385 719-373-4300
	Aire-Master of Southern New Mexico Genaro & Christina Rojas PO Box 920483 El Paso, TX 79902 575-652-1673	(see Colorado)
New York:	Aire-Master of Long Island Matthew & Frances Ferriso P.O. Box 832 Commack, NY 11725-0832 631-543-5199	Aire-Master of Western New York James & Patricia Schwartz PO Box 557 Hornell, NY 14843-0557 607-324-4935 (also has Territory in Pennsylvania)
North Carolina	Aire-Master of Raleigh Josh Haslam, Roury McDermott 501 W Williams St #1312 Apex, NC 27502 801-707-5279	Aire-Master of Myrtle Beach Wes Tongue, Jeff Warner 147 Forest Hills Dr Leland, NC 28451
	Aire-Master of Coastal Carolina Mike Whitacre 393 Toulon Dr Wilmington, NC 28405 303-589-7116	

North Dakota:

Aire-Master of North Dakota
Gary & Delores Christian
2100 Lovett Ave
Bismarck, ND 58504
701-751-5055

Ohio:

Aire-Master of Cleveland
Chris & Jennifer Nagel
P.O. Box 39181
North Ridgeville, OH 44039-9181
440-666-1394

Aire-Master of The Valley
Kevin & Janet Brichetto
P.O. Box 2155
Warren, OH 44484
330-423-4166
(also contains territory in Pennsylvania)

Oklahoma

Aire-Master of Central Oklahoma
Daryn & Nicole Holbein
PO Box 268
Morris, OK 74445
918-221-1283

Oregon:

Aire-Master of Southern Oregon
Jerrud Hook
PO Box 2271
Grants Pass, OR 97528
541-761-1073

(See Idaho)

Aire-Master of the Cascades
Aaron & Elizabeth Peterson
PO Box 2241
Redmond, OR 97756-2241
541-788-2473

Aire-Master of Central Oregon
Keith Bockhahn
P.O. Box 20773
Keizer, OR 97307-0773
503-399-9717

Pennsylvania:

Aire-Master of Lehigh Valley
Leica & Jeff Nissen
P.O. Box 22792
Lehigh Valley, PA 18002-2792
601-346-7949

Aire-Master of Berks County
Sam & Evelyn Klingler
PO Box 4203
Reading, PA 19606-4203
570-898-3752

Aire-Master of Philadelphia
Jeff & Lisa Nissen
PO Box 22792
Lehigh Valley, PA 18002-2792
610-346-7949

(see New Jersey, New York and Ohio)

Rhode Island:

Aire-Master of Rhode Island
Paul & Eileen Caccia
40 Steeple Lane
Lincoln, RI 02865
401-644-7889

South Carolina

Aire-Master of Charleston
Phil & Ashley Canipe
221 St James Ave, Ste 2A
Goose Creek, SC 29445
843-509-8961

Aire-Master of Columbia
Phil Canipe
221 St James Ave, Ste 2A
Goose Creek, SC 29445
843-509-8961

Aire-Master of the Upstate
Gabe & Laura Weisser
PO Box 1415
Greer, SC 29652
864-720-8820

South Dakota:

Aire-Master of the Black Hills
Jordan & Morgan Murphy
PO Box 2952
Rapid City, SD 57709
605-391-5375

Aire-Master of the Plains
Rick & Theresa Schlapkohl
615 S. Lyons, Ste. 300
Sioux Falls, SD 57106
605-728-2362
(also contains territory in Iowa and Nebraska)

Tennessee:

Aire-Master of Middle Tennessee
Marty Lax
PO Box 43002
Birmingham, AL 35243-3002
205-547-0199

(see Georgia)

Aire-Master of the Smoky Mountains
Mike & JaNae Asper
PO Box 32882
Knoxville, TN 37930-2882
865-805-8730

Texas:

Aire-Master of Northeast Texas
Warren & Joan Ott
1918 E. Meadowmere
Springfield, MO 65804
800-641-4002
(also contains territory in Louisiana & Arkansas)

Aire-Master of Dallas
Carlos De Leon & Guillermo Ramirez
~~6066~~ 6006 N. Mesa St., #408
El Paso, TX 79912
915-203-7332

Aire-Master of West Texas
Alejandro & Patricia Reyes
1025 Desierto Seco Drive
El Paso, TX 79912
915-585-4599

Aire-Master of Austin
Carlos DeLeon
~~6066~~ 6006 N. Mesa St., #408
El Paso, TX 79912
915-203-7332

Aire-Master of Collin County
Gama & Maria Dominguez
8700 Stone Brook Parkway, #1381
Frisco, TX 75034
214-300-5688

Aire-Master of Denton County
Peter Berk
4671 Edith Street
Plano, TX 75024
972-793-8007

Aire-Master of San Antonio
Todd & Karen Heaton
727 Ranch Falls
San Antonio, TX 78245
210-560-1773

Aire-Master of Houston
Steve Darrah
10 Green Field Place
Spring, TX 77380
281-614-9358

Aire-Master of North Houston
Steve Darrah
10 Green Field Place
Spring, TX 77380
281-614-9358

Utah:

Aire-Master of Salt Lake
Jared & Amy Peterson
PO Box 96924
Las Vegas, NV 89193
800-821-8893

Aire-Master of Western Utah
Brian & Alisha Hessing
P.O. Box 505
Riverton, UT 84065-0505
801-389-6184

Aire-Master of Dixie
Pete & Sadie Best
PO Box 911502
St. George, UT 84791-1502
435-275-8045

Aire-Master of Northern Utah
Brian & Alisha Hessing
P.O. Box 505
Riverton, UT 84065-0505
801-389-6184

Virginia:

Aire-Master of Northern Virginia
Theo & Meena Meyyappan
PO Box 1364
Springfield, VA 22151
703-596-0520

Washington:

Aire-Master of Eastern Washington
JC & Kristina Shahan
3915 E Tanager Lane
Mead, WA 99021
509-218-4343

Wisconsin:

Aire-Master of Wisconsin
Donn & Alice Mortier
P.O. Box 68
Eldorado, WI 54932-0068
800-321-9402
(also contains territory in Illinois)

Wyoming:

Aire-Master of Eastern Wyoming
Scott & Deb Harris
PO Box 1174
Casper, WY 82602-1174
307-262-7727

Canada:

Alberta

Aire-Master of the Prairies
Amin & Nasrin Poonja
8605 Coronet Rd. NW
Edmonton, AB T6E 4P2
780-448-2661

Exhibit B.2
FRANCHISEES WHO HAVE LEFT THE SYSTEM
DURING AIRE-MASTER'S MOST RECENT FISCAL YEAR

Aire-Master of the Black Hills
Corey & Joan Schmidt
3141 St. Bury Court
Rapid City, SC 57703
605-415-7351

Aire-Master of South Texas
Christa & Kevin Linsteadt
7822 Etienne Drive
Corpus Christi, TX 78414
469-441-0382

Aire-Master of Eastern Washington
Scott & Felicia Bates
PO Box 141307
Spokane Valley, WA 99214
509-742-0563

Aire-Master of Southern Oregon
Aaron & Elizabeth Peterson
PO Box 2241
Redmond. OR 97756-2241
541-788-2473

[1]

If you enter into an Aire-Master Franchise Agreement, your contact information may be disclosed to other potential franchisees if you leave the system.

1. Aire-Master of Northwest Arkansas remains as a franchise after transfer of a portion of territory, and changed the name to Aire-Master of River Valley with new address.

Exhibit B.3
List of Franchisees Related to Persons Listed in Item 2

NONE

Exhibit B.4
FRANCHISEES WHO HAVE TRANSFERRED
DURING AIRE-MASTER'S MOST RECENT FISCAL YEAR

Transferring Franchisee	New Franchisee
Aire-Master of Utah Greg & Kista Eberhard 4915 South 850 East South Ogden, UT 84403 801-824-9292	Aire-Master of Northern Utah Brian & Alisha Hessing P.O. Box 505 Riverton, UT 84065-0505 801-389-6184
Aire-Master of Northern Virginia Bruce & Carolyn Koeppel PO Box 1174 Manassas, VA 20108-1174 703-596-0520	Aire-Master of Northern Virginia Theo & Meena Meyyappan PO Box 1364 Springfield, VA 22151 703-596-0520

If you enter into an Aire-Master Franchise Agreement, your contact information may be disclosed to other potential franchisees if you leave the system.

NEW

Exhibit C-1

AIRE-MASTER OF AMERICA, INC.

FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

AIRE-MASTER OF AMERICA, INC.

FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

2305 S. Blackman Road, Suite D ▪ Springfield, Missouri 65809 ▪ 417.887.0585 ▪ Fax 417.887.0619

ELLIOTT, ROBINSON
& COMPANY, LLP

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of AIRE-MASTER OF AMERICA, INC.

Opinion

We have audited the accompanying financial statements of AIRE-MASTER OF AMERICA, INC. (a Missouri corporation), which comprise the balance sheets as of March 31, 2022 and 2021, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AIRE-MASTER OF AMERICA, INC. as of March 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 AIRE-MASTER OF AMERICA, INC. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AIRE-MASTER OF AMERICA, INC.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about AIRE-MASTER OF AMERICA, INC.'s ability to continue as a going concern for a reasonable period of time.

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

Elliott, Robinson & Company, LLP

Springfield, Missouri
June 25, 2022

AIRE-MASTER OF AMERICA, INC.
BALANCE SHEETS
YEARS ENDED MARCH 31, 2022 AND 2021

ASSETS		**2022**	**2021**
CURRENT ASSETS			
Cash	$	1,245,655	1,721,436
Accounts receivable - as reduced by allowance for doubtful accounts of $34,400 and $25,700, respectively		1,661,862	1,380,556
Inventory		2,460,298	2,265,846
Income taxes receivable		155,167	-
Prepaid expenses		168,676	145,194
Total Current Assets		5,691,658	5,513,032
FIXED ASSETS			
Vehicles		901,131	877,244
Machinery and equipment		1,978,340	1,893,281
Furniture and fixtures		784,093	748,364
Leasehold improvements		814,881	802,219
		4,478,445	4,321,108
Less: accumulated depreciation		3,251,221	2,981,604
Total Fixed Assets		1,227,224	1,339,504
OTHER ASSETS			
Deposits		153,685	66,488
Intangible assets		100,983	101,816
Total Other Assets		254,668	168,304
	$	**7,173,550**	**7,020,840**

See accompanying accountants' report
and notes to financial statements.

AIRE-MASTER OF AMERICA, INC.
BALANCE SHEETS
YEARS ENDED MARCH 31, 2022 AND 2021

LIABILITIES AND STOCKHOLDERS' EQUITY		2022	2021
CURRENT LIABILITIES			
Notes payable - maturing within one year	$	-	40,205
Accounts payable		398,201	501,023
Accrued expenses		575,216	621,282
Income taxes payable		-	88,112
Deferred revenue - current portion		48,000	6,000
Total Current Liabilities		1,021,417	1,256,622
NON-CURRENT LIABILITIES			
Deferred income taxes		449,400	411,600
Due to shareholder		150,796	255,402
Deferred revenue - long-term		192,000	24,000
Total Non-Current Liabilities		792,196	691,002
STOCKHOLDERS' EQUITY			
Class A voting common stock - $1 par value; 2,500 shares authorized; 1,000 shares issued and outstanding		1,000	1,000
Class B nonvoting common stock - $1 par value; 25,000 shares authorized; 10,000 shares issued and outstanding		10,000	10,000
Retained earnings		5,348,937	5,062,216
Total Stockholders' Equity		5,359,937	5,073,216
	$	**7,173,550**	**7,020,840**

See accompanying accountants' report
and notes to financial statements.

AIRE-MASTER OF AMERICA, INC.
STATEMENTS OF EARNINGS
YEARS ENDED MARCH 31, 2022 AND 2021

		2022	2021
REVENUE			
Service revenue	$	2,791,680	2,326,954
Merchandise sales		478,099	621,967
Wholesale sales		3,912,346	4,330,662
Distributor sales		123,113	121,716
Manufacturing sales		4,733,920	8,131,747
Royalties income		1,262,191	1,111,073
Franchise sales		417,997	56,865
Sales allowances		(5,955)	(3,561)
Total Revenue		13,713,391	16,697,423
COST OF REVENUE		5,827,928	7,825,049
GROSS PROFIT		7,885,463	8,872,374
EXPENSES			
Selling and administrative expenses		7,191,773	7,597,162
Bad debt expense		18,437	(46,702)
Interest expense		595	2,556
Depreciation and amortization expense		321,591	257,443
Total Expenses		7,532,396	7,810,459
EARNINGS FROM OPERATIONS		353,067	1,061,915
OTHER INCOME			
Gain on sale of assets		5,300	32,800
Miscellaneous income		8,154	697,142
Total Other Income		13,454	729,942
EARNINGS BEFORE INCOME TAXES		366,521	1,791,857
PROVISION FOR INCOME TAXES		79,800	300,500
NET EARNINGS	**$**	**286,721**	**1,491,357**

See accompanying accountants' report
and notes to financial statements.

AIRE-MASTER OF AMERICA, INC.
STATEMENTS OF RETAINED EARNINGS
YEARS ENDED MARCH 31, 2022 AND 2021

		2022	2021
RETAINED EARNINGS AT BEGINNING OF YEAR	$	5,062,216	3,570,859
NET EARNINGS		286,721	1,491,357
RETAINED EARNINGS AT END OF YEAR	**$**	**5,348,937**	**5,062,216**

See accompanying accountants' report
and notes to financial statements.

AIRE-MASTER OF AMERICA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2022 AND 2021

		2022	2021
OPERATING ACTIVITIES			
Net earnings	$	286,721	1,491,357
Non cash items included in net earnings:			
Depreciation and amortization		321,591	257,443
(Decrease) in deferred income taxes		37,800	77,400
Increase in deferred revenue		210,000	30,000
(Gain) on sale of assets		(5,300)	(32,800)
PPP loan forgiven		-	(662,100)
(Increase) decrease in operating assets:			
Accounts receivable		(281,306)	318,955
Inventory		(194,452)	(515,015)
Prepaid expenses		(23,482)	(29,491)
Deposits		(87,197)	(35,517)
Increase (decrease) in operating liabilities:			
Accounts payable		(102,822)	(574,390)
Accrued expenses		(46,066)	96,302
Income taxes payable		(243,279)	101,298
Net Cash Provided (Used) by Operating Activities		**(127,792)**	**523,442**
INVESTING ACTIVITIES			
Proceeds from sale of assets		5,300	32,800
Purchase of fixed assets		(208,478)	(545,384)
Net Cash (Used) in Investing Activities		**(203,178)**	**(512,584)**
FINANCING ACTIVITIES			
PPP loan proceeds		-	662,100
Repayment of long-term and short-term borrowings		(40,205)	(51,777)
Loan from shareholder		(104,606)	123,724
Net Cash Provided (Used) by Financing Activities		**(144,811)**	**734,047**
NET INCREASE (DECREASE) IN CASH		(475,781)	744,905
CASH AT BEGINNING OF YEAR		1,721,436	976,531
CASH AT END OF YEAR	**$**	**1,245,655**	**1,721,436**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the year for:			
Interest expense	**$**	**595**	**2,583**
Income tax	**$**	**120,667**	**120,667**

See accompanying accountants' report
and notes to financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Company's Business

The Company is primarily engaged in the manufacture and sale of sanitation products and in providing commercial hygiene services. The Company is located in Southwest Missouri and operates five of its own franchises in the following regions: Oregon, Southwest Missouri, Oklahoma and St. Louis, Missouri. The company sells products to independent franchises all across North America and manufactures products for other companies unrelated to the franchise industry. The Company extends unsecured credit to the general public and to franchised outlets in the normal course of business.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, money market funds, and highly liquid debt instruments with maturities of three months or less at the date of their acquisition.

Accounts Receivable

The Company accounts for the potential losses in accounts receivable utilizing the allowance method. Management has provided an allowance for uncollectible accounts at March 31, 2022 and 2021 of $34,400 and $25,700, respectively. In reviewing aged receivables, management considers their knowledge of customers, historical activity and current economic conditions in establishing the allowance for doubtful accounts. A trade account receivable is charged to bad debt expense when management determines the receivable is uncollectible.

The Company does not have any significant financing components as franchise fee payments are paid up front and all other payments are typically received within 45-90 days.

Inventory

Inventories are stated at the lower of cost or market based on the first-in, first-out method. Market value is determined by comparison with recent purchases or realizable value.

Property and Depreciation

Property and equipment are stated at cost. Depreciation is computed by applying the following methods and estimated lives:

Category	Estimated Life	Method
Vehicles	3-5 years	Declining balance
Machinery and Equip	5-10 years	Declining balance and straight-line
Furniture & fixtures	3-10 years	Declining balance and straight-line
Leasehold improvements	5-40 years	Straight-line

For federal income tax purposes, depreciation is computed using the modified accelerated cost recovery system.

The costs of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income, except for gains on assets traded where no cash was received. Expenditures for maintenance and repairs are charged to income as incurred; replacements and betterments that extend the useful lives are capitalized.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Depreciation - Continued

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the cost of any long-lived assets may be impaired, and evaluation of recoverability would be performed following generally accepted accounting principles.

Total depreciation expense for the years ended March 31, 2022 and 2021 was $320,758 and $256,610, respectively.

Intangible Assets

Intangible assets include franchise rights, goodwill, customer lists, and covenants not to compete. Effective April 1, 2002, the Company adopted Accounting Standard Codification (ASC) No. 350, *Goodwill and Other Intangible Assets*. In accordance with this standard, goodwill and franchise rights will no longer be amortized, but will be tested for impairment at least annually. Customer lists and covenants not to compete are considered to have determinable useful lives and will continue to be amortized over their useful lives.

Advertising

The Company expenses the production costs of advertising as incurred. Advertising expense for the years ended March 31, 2022 and 2021 was $42,717 and $36,829, respectively.

Revenue Recognition

The Company's revenue is derived from contracts with customers. The majority of the Company's revenue is derived from franchise fees royalties and retail sales. The Company accounts for revenue in accordance with ASC 606, which the Company adopted on April 1, 2018 using the modified retrospective method. Refer to Note 1 to the financial statements for the fiscal year ended March 31, 2018 for a description of the Company's revenue recognition policy prior to April 1, 2018. The core principle of ASC 606 is to recognize revenue upon the transfer of services or products to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or products. The Company applies the following framework to recognize revenue:

The Company's major revenues consist of initial franchise fees and royalties from franchised stores operated by conventional franchisees, wholesale and retail sales from manufactured products and service revenue from company-owned franchises. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services.

Franchise Fees

Initial franchise fees consist of non-refundable payments received by the Company from franchisees for the rights to develop a specified franchise location. This revenue is recognized after the Company and franchisee enter into a franchise agreement and after significant obligations required of the Company under the franchise agreement are substantially performed such as the deliverable of materials and training services. Any franchise fees received prior to the Company satisfying its obligations are deferred.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition - Continued

Franchise Fees (Continued)

The Company has determined there are two distinct performance obligations related to the franchise fee: 1) the distribution of manuals and similar material concerning operations, administration and record keeping which usually occurs at the signing of franchise agreement and training of the franchisee's personnel at the franchisor's location, 2) On-site training of the franchisee's personnel.

The Company adopted the practical expedient that permits franchisors that are not public business entities to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the ASU. Until the performance obligations are met, the remainder of the franchise fee is in deferred revenue on the balance sheet. The Company also receives transfer fees and additional territory fees which are earned as the performance obligations are performed. For fees with no performance obligations, the income is earned over the life of the agreement. The Company had current deferred franchise sale revenues of $48,000 and $6,000, respectively, and long-term deferred franchise sale revenues of $192,000 and $24,000 respectively, as of March 31, 2022 and 2021.

Royalties

The Company grants a franchise license which gives the franchisee the right to access the Company's intellectual property. The trade name and logo have limited standalone functionality; the utility of the products developed by the entity is derived largely from the products' association with the franchise brand. Substantially all of the utility inherent in the trade name, logo, and product rights granted under the license stems from the entity's past and ongoing activities of establishing, building, and maintaining the franchise brand. The utility of the license is its association with the franchise brand and the related demand for its products. The Company's performance obligation to transfer the license is satisfied over time because the customer simultaneously receives and consumes the benefits of the franchisor's license. The variable consideration is in the form of sales-based royalties that specifically relate to the franchise license.

Manufacturing and Retail Sales

The Company generates wholesale and retail revenues (shown as merchandise, manufacturing and distributor sales on the statements of earnings) primarily from the sale of products to retailers, distributors and consumers in the United States. Revenue is recognized upon shipment to the customer as that is when the customer obtains control of the promised goods. Credit terms are extended to wholesale customers based on their creditworthiness and the Company generally does not receive advance payments. As such, accounts receivable is recorded at the time of shipment, when their right to the consideration becomes unconditional. The Company offers a 30-day return policy with a 15% restocking fee. The Company does not expect significant returns based on historical experience and therefore has not accrued a reserve for product returns. In the same way, the Company does not have a formal warranty policy but stands behind their products. Historically, warranty claims have not resulted in material costs and are expensed when incurred.

Service Revenue

Service revenue is generated from company-owned franchises for cleaning and other sanitation practices. This revenue is earned over time as the performance obligations are satisfied.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition - Continued

The Company had no contract assets or liabilities as of March 31, 2022 or 2021 with the exception of franchise fee revenues detailed above and consignment arrangements detailed below.

Bill and Hold and Consignment Arrangements

Certain wholesale products are held at the Company's warehouse because the customer requests that it be held there and lacks the physical space to store the goods. These products are held separately as belonging to the customer and are not used to satisfy orders for other customers. The customer requests shipment of the products as they need them. Revenue is recognized on these arrangements at the point in time when the customer orders the goods and they are available to be shipped to the customer.

The Company also engages in a minimal amount of consignment arrangements. In this arrangement, products are shipped to a dealer, but revenue is not recognized until the product is sold to a customer of the dealer. There was $0 and $0 of deferred consignment revenue as of March 31, 2022 and 2021, respectively.

For the years ended March 31, 2022 and 2021, $1,185,833 and $914,251, respectively, was recorded as bill and hold and consignment income and included in manufacturing sales on the statement of earnings.

Income Taxes

The Tax Cuts and Jobs Act of 2017 was signed into law on December 22, 2017. The law includes significant changes to the U.S. corporate income tax system, including a Federal corporate rate reduction from 35% to 21%, limitations on the deductibility of interest expense and executive compensation, and the transition of U.S. international taxation from a worldwide tax system to a territorial tax system. The legislation also allowed the Company to qualify for the cash method of accounting, so the Company filed a change in accounting method from the accrual method to the cash method for income tax purposes beginning in the 2018 tax year.

The Company accounts for income taxes in accordance with FASB ASC 740, Income Taxes, which requires the recognition of deferred income taxes for differences between the basis of assets and liabilities for financial statement and income tax purposes. Since income taxes are paid on the cash basis of accounting rather than the accrual basis this creates timing differences. There are also timing differences in reporting depreciation and amortization for financial statement and tax purposes. Deferred tax assets and liabilities represent the future tax consequence for those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company follows the provisions of FASB ASC 740-10-25, which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns. FASB ASC 740-10-25 also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, and accounting for interest and penalties associated with tax positions. The Company does not have any accruals for uncertain tax positions as of March 31, 2022.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes - Continued

The federal and state income tax returns of the Company for 2021, 2020, and 2019 are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

Estimates

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

Judgments

The Company considered several factors in determining how revenue should be recognized. These judgments and estimates include identifying performance obligations, determining if performance obligations are distinct, determining the standalone selling price and timing of revenue recognition for each distinct performance obligation, and estimating variable consideration to be included in the transaction price. The Company determined that the initial franchise fees were related to two distinct and separate performance obligations. The Company used the best estimate of the selling price for the standalone performance obligations by estimating the price a customer in a similar market would be willing to pay for the goods and services the Company provides. The Company then allocated the initial franchise fees to each separate and distinct performance obligation based on the relative stand-alone selling price basis.

The Company also determined that the variable consideration (the sales-based royalty) be allocated entirely to the franchise license because the variable consideration relates entirely to the entity's promise to grant the franchise license.

Several factors were considered in determining that control transfers to the customer upon shipment of retail and wholesale products. These factors include that legal title transfers to the customer, the Company has a present right to payment, and the customer has assumed the risks and rewards of ownership at the time of shipment.

The products held under bill and hold arrangements are deemed to have transferred control of the goods to the customer at the point in time the goods are manufactured and stored separately in the warehouse because the customer has accepted the goods, directs and determines how the goods are used and can otherwise benefit from the goods.

Research and Development Costs

Research and development costs are charged to operations when incurred. Research and development costs were $12,777 and $2,233 for the years ended March 31, 2022 and 2021, respectively.

Cash Held in Financial Institutions

During the year ended March 31, 2022, there were instances when the Company's cash held in financial institutions exceeded the depositors' insurance provided by the Federal Deposit Insurance Corporation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Sales Taxes

Sales (and similar) taxes that are imposed on our sales and collected from customers are excluded from revenues.

Shipping and Handling Costs

Costs for shipping and handling activities, including those activities that occur subsequent to transfer of control to the customer, are recorded as cost of sales and are expensed as incurred. The Company accrues costs for shipping and handling activities that occur after control of the promised good has transferred to the customer.

Date of Management's Review

Management has evaluated subsequent events through June 25, 2022, the date on which the financial statements were available to be issued.

NOTE 2: INTANGIBLE ASSETS

At March 31, 2022, the Company had the following intangible assets:

	Gross Carrying Amount	Accumulated Amortization	Net Value	Amortization Period
Amortized intangible assets:				
Customer lists	$ 266,859	256,303	$ 10,556	15 years
Covenants not to compete	55,314	55,314	-	15 years
	$ 322,173	311,617		
Unamortized intangible assets:				
Goodwill			87,294	
Franchise rights			3,133	
Total intangible assets			$ 100,983	

Total amortization expense for the years ended March 31, 2022 and 2021 was $833 and $833 respectively.

Future amortization expense is as follows:

Year Ended March 31	Amount
2023	$ 833
2024	833
2025	833
2026	833
2027+	7,224
	$ 10,556

NOTE 3: NOTES PAYABLE

The Company has a $750,000 line of credit with OakStar Bank. As of March 31, 2022, the Company had no borrowings against this line of credit leaving $750,000 available for future borrowing.

Cash payments for interest expense during the years ended March 31, 2022 and 2021, amounted to $595 and $2,583, respectively.

NOTE 4: PAYCHECK PROTECTION PROGRAM

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. On April 14, 2020, the Company obtained a PPP loan for $662,100. The Company incurred sufficient qualifying expenses during 2020 to qualify for 100% loan forgiveness. On November 5, 2020, the SBA formally forgave the PPP loan proceeds. The income forgiveness has been reported as other income on the statement of operations, and based upon recent tax legislation, will not be taxed for federal income tax purposes.

NOTE 5: INCOME TAXES

	2022	2021
Earnings before provision for income taxes	$ 366,521	1,791,857
Non-deductible expenses	6,536	11,253
Allowances for doubtful accounts	8,700	(58,700)
Depreciation	75,655	(271,215)
Amortization	-	(833)
Gain on sale of assets	-	(1,950)
Inventory allowance	-	(30,000)
Accrual to cash adjustment	(234,732)	53,221
PPP loan forgiveness	-	(662,100)
Taxable income	$ 222,680	831,533
Federal and state income taxes at statutory rates	$ 42,000	223,100
Deferred income taxes based on timing differences	37,800	77,400
Provision for income taxes	$ 79,800	300,500

During the fiscal years ended March 31, 2022 and 2021, the Company paid $276,745 and $120,667 toward income tax liabilities, respectively.

NOTE 5: INCOME TAXES - CONTINUED

Deferred taxes result from differences in the recognition of expenses for income tax and financial statement purposes. The sources of these differences and the tax effect of each are as follows:

	2022	2021
Depreciation	$ 274,900	293,800
Bad debt	(8,600)	(6,400)
Accrued vacation	(33,050)	(30,400)
Accrual to cash adjustment	196,180	134,800
Amortization	19,970	19,800
	$ 449,400	411,600

NOTE 6: EMPLOYEE BENEFIT PLANS

Beginning in January 2020, the Company adopted a Safe Harbor 401k plan. Employees are eligible to participate after 60 days of service and automatically enrolled once eligible with 1% of earnings being contributed. The company matches up to 4% on the first 4% the employee contributes into the plan. Employer's contributions are subject to vesting as follows: 20% in year 2, 40% in year 3, 60% in year 4, 80% in year 5 and 100% after year 6. The Company's contributions to the plans during years ended March 31, 2022 and 2021 totaled $94,178 and $86,591, respectively.

NOTE 7: LONG TERM LEASES

The Company leases office and warehouse facilities from a limited liability company owned in part by the Company's majority shareholder. The minimum monthly lease payment is $32,374. The lease agreement expires on December 31, 2022.

The Company leases warehouse facilities from a limited liability company owned by the Company's majority shareholder. The lease agreement expired July 31, 2017, and a new lease agreement that was entered into on August 19, 2019 goes into effect August 1, 2020. The minimum monthly lease payment is $5,250. The lease agreement expires on July 31, 2023.

The Company leases warehouse facilities from an unrelated third party. A new lease agreement that was entered into on October 4, 2021 goes into effect November 1, 2021. The minimum monthly lease payment is $625. The lease agreement expires on September 31, 2022.

The Company leases building space from an unrelated third party. The minimum monthly lease payment is $550. The lease agreement expired March 1, 2020, and a new lease agreement has not been signed. The Company is currently leasing the warehouse on a month-to-month basis.

The Company leases 7 copiers from an unrelated third party. The minimum monthly lease payment is $1,957. The lease agreement expires February 6, 2025.

NOTE 7: LONG TERM LEASES - CONTINUED

Future minimum lease payments for non-cancellable operating leases with initial or remaining periods of one year or more at March 31, 2022, are as follows:

Year Ended March 31	Amount
2023	$ 381,602
2024	44,486
2025	19,571
2026+	-
	$ 445,659

Total rent expense under leases for the years ended March 31, 2022, and 2021 was $458,646 and $459,315, respectively.

NOTE 8: RELATED PARTY TRANSACTIONS

The Company paid Directors' fees in the amount of $4,200 and $4,200 during the fiscal years ended March 31, 2022 and 2021, respectively.

The Company owed shareholders $150,796 as of March 31, 2022. The loans are unsecured obligations and are due upon demand. The interest rate fluctuates yearly based on the interest rate of the 30-year Treasury bond at March 31. For the year ended March 31, 2022, the interest rate was 2.44%.

See Note 7: Long Term Leases for information regarding the rental of the Company's office facilities, main warehouse, and secondary warehouse from a limited liability company owned by the Company's majority shareholder.

NOTE 9: REVENUE FROM MAJOR CUSTOMERS

The Company has five major customers which combine to account for approximately 68% of the Company's total sales for the year ended March 31, 2022. The largest single customer accounted for approximately 23% of total sales for year ended March 31, 2022.

NOTE 10: FRANCHISE REVENUE

Aire-Master of America, Inc. is a franchiser of deodorizing and sanitation service outlets. When a franchise is sold, the Company agrees to provide certain services to the franchisee, including training personnel, design of promotional materials and advertising programs, and continuing supervision. Continuing franchise service fees are charged to franchises at 5% of the franchisee's gross sales.

NOTE 10: FRANCHISE REVENUE - CONTINUED

Management is uncertain if initial franchise fee revenue will decline in the future or not. The following analysis details franchise ownership during the fiscal year ended March 31, 2022 and 2021:

	2022	2021
Franchise operating at beginning of year	109	111
Newly established franchises	6	1
Franchises transferred	5	-
Franchises terminated/expired	(4)	(3)
	116	109

In addition to the above referenced franchises, Aire-Master of America, Inc. operated five of its own separate franchises as of March 31, 2022.

NOTE 11: EXTRAORDINARY CIRCUMSTANCES

On March 22, 2020 the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact on many sectors of the economy, including industries in which the Company operates.

The negative impacts of COVID-19 did not negatively impact the Company's revenue for 2021 or 2022; however, due to the rapidly changing business environment, unprecedented market volatility, and other circumstances, the extent of COVID-19's impact on future revenue as the pandemic continues cannot reasonably be determined. Future periods will be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. Management continues to monitor evolving economic and general business conditions and the actual and potential impact on the financial position, results of operations, and cash flows.

Exhibit C-2

AIRE-MASTER O F AMERICA, INC.

FINANCIAL STATEMENTS

MARCH 31, 2021 AND 2020

AIRE-MASTER OF AMERICA, INC.

FINANCIAL STATEMENTS

MARCH 31, 2021 AND 2020

2305 S. Blackman Road, Suite D ▪ Springfield, Missouri 65809 ▪ 417.887.0585 ▪ Fax 417.887.0619

ELLIOTT, ROBINSON
& COMPANY, LLP

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Aire-Master of America, Inc.
Nixa, Missouri

We have audited the accompanying financial statements of Aire-Master of America, Inc. (a Missouri corporation), which comprise the balance sheets as of March 31, 2021 and 2020, and the related statements of earnings, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aire-Master of America, Inc., as of March 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

June 25, 2021
Springfield, Missouri

AIRE-MASTER OF AMERICA, INC.
BALANCE SHEETS
MARCH 31, 2021 AND 2020

ASSETS		**2021**	**2020**
CURRENT ASSETS			
Cash	$	1,721,436	976,531
Accounts receivable - as reduced by allowance for doubtful accounts of $25,700 and $84,400, respectively		1,380,556	1,699,511
Inventory		2,265,846	1,750,831
Income taxes receivable		-	13,186
Prepaid expenses		145,194	115,703
Total Current Assets		5,513,032	4,555,762
FIXED ASSETS			
Vehicles		877,244	822,735
Machinery and equipment		1,893,281	1,755,537
Furniture and fixtures		748,364	686,574
Leasehold improvements		802,219	750,424
		4,321,108	4,015,270
Less: accumulated depreciation		2,981,604	2,964,541
Total Fixed Assets		1,339,504	1,050,729
OTHER ASSETS			
Deposits		66,488	30,971
Intangible assets		101,816	102,650
Total Other Assets		168,304	133,621
	$	**7,020,840**	**5,740,112**

See accompanying accountants' report
and notes to financial statements.

LIABILITIES AND STOCKHOLDERS' EQUITY		2021	2020
CURRENT LIABILITIES			
Notes payable - maturing within one year	$	40,205	91,982
Accounts payable		501,023	1,075,413
Accrued expenses		621,282	524,980
Income taxes payable		88,112	-
Deferred revenue - current portion		6,000	-
Total Current Liabilities		1,256,622	1,692,375
NON-CURRENT LIABILITIES			
Deferred income taxes		411,600	334,200
Due to shareholder		255,402	131,678
Deferred revenue - long-term		24,000	-
Total Non-Current Liabilities		691,002	465,878
STOCKHOLDERS' EQUITY			
Class A voting common stock - $1 par value; 2,500 shares authorized; 1,000 shares issued and outstanding		1,000	1,000
Class B nonvoting common stock - $1 par value; 25,000 shares authorized; 10,000 shares issued and outstanding		10,000	10,000
Retained earnings		5,062,216	3,570,859
Total Stockholders' Equity		5,073,216	3,581,859
	$	**7,020,840**	**5,740,112**

See accompanying accountants' report
and notes to financial statements.

AIRE-MASTER OF AMERICA, INC.
STATEMENTS OF EARNINGS
YEARS ENDED MARCH 31, 2021 AND 2020

	2021	2020
REVENUE		
Service revenue	$ 2,326,954	2,532,043
Merchandise sales	621,967	487,270
Wholesale sales	4,330,662	4,065,101
Distributor sales	121,716	135,770
Manufacturing sales	8,131,747	4,071,542
Royalties income	1,111,073	1,108,517
Franchise sales	56,865	183,304
Sales allowances	(3,561)	(7,366)
Total Revenue	16,697,423	12,576,181
COST OF REVENUE	7,825,049	5,332,057
GROSS PROFIT	8,872,374	7,244,124
EXPENSES		
Selling and administrative expenses	7,597,162	6,624,843
Bad debt expense	(46,702)	74,980
Interest expense	2,556	4,794
Depreciation and amortization expense	257,443	267,511
Total Expenses	7,810,459	6,972,128
EARNINGS FROM OPERATIONS	1,061,915	271,996
OTHER INCOME		
Gain on sale of assets	32,800	21,016
Miscellaneous income	697,142	29,691
Total Other Income	729,942	50,707
EARNINGS BEFORE INCOME TAXES	1,791,857	322,703
PROVISION FOR INCOME TAXES	300,500	99,533
NET EARNINGS	**$ 1,491,357**	**223,170**

See accompanying accountants' report
and notes to financial statements.

AIRE-MASTER OF AMERICA, INC.
STATEMENTS OF RETAINED EARNINGS
YEARS ENDED MARCH 31, 2021 AND 2020

		2021	2020
RETAINED EARNINGS AT BEGINNING OF YEAR	$	3,570,859	3,347,689
NET EARNINGS		1,491,357	223,170
RETAINED EARNINGS AT END OF YEAR	**$**	**5,062,216**	**3,570,859**

See accompanying accountants' report
and notes to financial statements.

AIRE-MASTER OF AMERICA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2021 AND 2020

		2021	2020
OPERATING ACTIVITIES			
Net earnings	$	1,491,357	223,170
Non cash items included in net earnings:			
Depreciation and amortization		257,443	267,511
(Decrease) in deferred income taxes		77,400	88,333
Increase in deferred revenue		30,000	-
(Gain) on sale of assets		(32,800)	(21,016)
PPP loan forgiven		(662,100)	-
(Increase) decrease in operating assets:			
Accounts receivable		318,955	(500,305)
Inventory		(515,015)	(188,268)
Prepaid expenses		(29,491)	(37,108)
Deposits		(35,517)	(26,731)
Increase (decrease) in operating liabilities:			
Accounts payable		(574,390)	634,986
Accrued expenses		96,302	(204,152)
Income taxes payable		101,298	(41,828)
Net Cash Provided by Operating Activities		**523,442**	**194,592**
INVESTING ACTIVITIES			
Proceeds from sale of assets		32,800	21,016
Purchase of fixed assets		(545,384)	(179,968)
Purchase of intangible assets		-	(25,000)
Net Cash (Used) in Investing Activities		**(512,584)**	**(183,952)**
FINANCING ACTIVITIES			
PPP loan proceeds		662,100	-
Repayment of long-term and short-term borrowings		(51,777)	(49,801)
Loan from shareholder		123,724	58,274
Net Cash Provided by Financing Activities		**734,047**	**8,473**
NET INCREASE IN CASH		744,905	19,113
CASH AT BEGINNING OF YEAR		976,531	957,418
CASH AT END OF YEAR	**$**	**1,721,436**	**976,531**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the year for:			
Interest expense	**$**	**2,583**	**4,559**
Income tax	**$**	**120,667**	**53,386**

See accompanying accountants' report
and notes to financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Company's Business

The Company is primarily engaged in the manufacture and sale of sanitation products and in providing commercial hygiene services. The Company is located in Southwest Missouri and operates five of its own franchises in the following regions: Oregon, Southwest Missouri, Oklahoma and St. Louis, Missouri. The company sells products to independent franchises all across North America and manufactures products for other companies unrelated to the franchise industry. The Company extends unsecured credit to the general public and to franchised outlets in the normal course of business.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, money market funds, and highly liquid debt instruments with maturities of three months or less at the date of their acquisition.

Accounts Receivable

The Company accounts for the potential losses in accounts receivable utilizing the allowance method. Management has provided an allowance for uncollectible accounts at March 31, 2021 and 2020 of $25,700 and $84,400, respectively. In reviewing aged receivables, management considers their knowledge of customers, historical activity and current economic conditions in establishing the allowance for doubtful accounts. A trade account receivable is charged to bad debt expense when management determines the receivable is uncollectible.

The Company does not have any significant financing components as franchise fee payments are paid up front and all other payments are typically received within 45-90 days.

Inventory

Inventories are stated at the lower of cost or market based on the first-in, first-out method. Market value is determined by comparison with recent purchases or realizable value.

Property and Depreciation

Property and equipment are stated at cost. Depreciation is computed by applying the following methods and estimated lives:

Category	Estimated Life	Method
Vehicles	3-5 years	Declining balance
Machinery and Equip	5-10 years	Declining balance and straight-line
Furniture & fixtures	3-10 years	Declining balance and straight-line
Leasehold improvements	5-40 years	Straight-line

For federal income tax purposes, depreciation is computed using the modified accelerated cost recovery system.

The costs of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income, except for gains on assets traded where no cash was received. Expenditures for maintenance and repairs are charged to income as incurred; replacements and betterments that extend the useful lives are capitalized.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Depreciation (Continued)

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the cost of any long-lived assets may be impaired, and evaluation of recoverability would be performed following generally accepted accounting principles.

Total depreciation expense for the years ended March 31, 2021 and 2020 was $256,610 and $267,233, respectively.

Intangible Assets

Intangible assets include franchise rights, goodwill, customer lists, and covenants not to compete. Effective April 1, 2002, the Company adopted Accounting Standard Codification (ASC) No. 350, *Goodwill and Other Intangible Assets*. In accordance with this standard, goodwill and franchise rights will no longer be amortized, but will be tested for impairment at least annually. Customer lists and covenants not to compete are considered to have determinable useful lives and will continue to be amortized over their useful lives.

Advertising

The Company expenses the production costs of advertising as incurred. Advertising expense for the years ended March 31, 2021 and 2020 was $36,829 and $36,934, respectively.

Revenue Recognition

The Company's revenue is derived from contracts with customers. The majority of the Company's revenue is derived from franchise fees royalties and retail sales. The Company accounts for revenue in accordance with ASC 606, which the Company adopted on April 1, 2018 using the modified retrospective method. Refer to Note 1 to the financial statements for the fiscal year ended March 31, 2018 for a description of the Company's revenue recognition policy prior to April 1, 2018. The core principle of ASC 606 is to recognize revenue upon the transfer of services or products to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or products. The Company applies the following framework to recognize revenue:

The Company's major revenues consist of initial franchise fees and royalties from franchised stores operated by conventional franchisees, wholesale and retail sales from manufactured products and service revenue from company-owned franchises. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services.

Franchise Fees

Initial franchise fees consist of non-refundable payments received by the Company from franchisees for the rights to develop a specified franchise location. This revenue is recognized after the Company and franchisee enter into a franchise agreement and after significant obligations required of the Company under the franchise agreement are substantially performed such as the deliverable of materials and training services. Any franchise fees received prior to the Company satisfying its obligations are deferred.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition - Continued

Franchise Fees (Continued)

The Company has determined there are two distinct performance obligations related to the franchise fee: 1) the distribution of manuals and similar material concerning operations, administration and record keeping which usually occurs at the signing of franchise agreement and training of the franchisee's personnel at the franchisor's location, 2) On-site training of the franchisee's personnel.

The Company adopted the practical expedient that permits franchisors that are not public business entities to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the ASU. Until the performance obligations are met, the remainder of the franchise fee is in deferred revenue on the balance sheet. The Company also receives transfer fees and additional territory fees which are earned as the performance obligations are performed. For fees with no performance obligations, the income is earned over the life of the agreement. The Company had current deferred franchise sale revenues of $6,000 and long-term deferred franchise sale revenues of $24,000 as of March 31, 2021. There were no deferred franchise fee sale revenues at March 31, 2020.

Royalties

The Company grants a franchise license which gives the franchisee the right to access the Company's intellectual property. The trade name and logo have limited standalone functionality; the utility of the products developed by the entity is derived largely from the products' association with the franchise brand. Substantially all of the utility inherent in the trade name, logo, and product rights granted under the license stems from the entity's past and ongoing activities of establishing, building, and maintaining the franchise brand. The utility of the license is its association with the franchise brand and the related demand for its products. The Company's performance obligation to transfer the license is satisfied over time because the customer simultaneously receives and consumes the benefits of the franchisor's license. The variable consideration is in the form of sales-based royalties that specifically relate to the franchise license.

Manufacturing and Retail Sales

The Company generates wholesale and retail revenues (shown as merchandise, manufacturing and distributor sales on the statements of earnings) primarily from the sale of products to retailers, distributors and consumers in the United States. Revenue is recognized upon shipment to the customer as that is when the customer obtains control of the promised goods. Credit terms are extended to wholesale customers based on their creditworthiness and the Company generally does not receive advance payments. As such, accounts receivable is recorded at the time of shipment, when their right to the consideration becomes unconditional. The Company offers a 30-day return policy with a 15% restocking fee. The Company does not expect significant returns based on historical experience and therefore has not accrued a reserve for product returns. In the same way, the Company does not have a formal warranty policy but stands behind their products. Historically, warranty claims have not resulted in material costs and are expensed when incurred.

Service Revenue

Service revenue is generated from company-owned franchises for cleaning and other sanitation practices. This revenue is earned over time as the performance obligations are satisfied.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition - Continued

The Company had no contract assets or liabilities as of March 31, 2021 or 2020 with the exception of franchise fee revenues detailed above and consignment arrangements detailed below.

Bill and Hold and Consignment Arrangements

Certain wholesale products are held at the Company's warehouse because the customer requests that it be held there and lacks the physical space to store the goods. These products are held separately as belonging to the customer and are not used to satisfy orders for other customers. The customer requests shipment of the products as they need them. Revenue is recognized on these arrangements at the point in time when the customer orders the goods and they are available to be shipped to the customer.

The Company also engages in a minimal amount of consignment arrangements. In this arrangement, products are shipped to a dealer, but revenue is not recognized until the product is sold to a customer of the dealer. There was $0 and $98,537 of deferred consignment revenue as of March 31, 2021 and 2020, respectively.

For the year ended March 31, 2021, $914,251 was recorded as bill and hold and consignment income and included in manufacturing sales on the statement of earnings.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740, *Income Taxes*, which requires the recognition of deferred income taxes for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to timing differences in reporting depreciation, amortization, bad debt, inventory capitalization, accrued vacations, and deferred compensation for financial statement and tax purposes. Deferred tax assets and liabilities represent the future tax consequence for those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company follows the provisions of FASB ASC 740-10-25, which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns. FASB ASC 740-10-25 also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, and accounting for interest and penalties associated with tax positions. The Company does not have any accruals for uncertain tax positions as of March 31, 2021.

The federal and state income tax returns of the Company for 2020, 2019, and 2018 are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

Estimates

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Judgments

The Company considered several factors in determining how revenue should be recognized. These judgments and estimates include identifying performance obligations, determining if performance obligations are distinct, determining the standalone selling price and timing of revenue recognition for each distinct performance obligation, and estimating variable consideration to be included in the transaction price. The Company determined that the initial franchise fees were related to two distinct and separate performance obligations. The Company used the best estimate of the selling price for the standalone performance obligations by estimating the price a customer in a similar market would be willing to pay for the goods and services the Company provides. The Company then allocated the initial franchise fees to each separate and distinct performance obligation based on the relative stand-alone selling price basis.

The Company also determined that the variable consideration (the sales-based royalty) be allocated entirely to the franchise license because the variable consideration relates entirely to the entity's promise to grant the franchise license.

Several factors were considered in determining that control transfers to the customer upon shipment of retail and wholesale products. These factors include that legal title transfers to the customer, the Company has a present right to payment, and the customer has assumed the risks and rewards of ownership at the time of shipment.

The products held under bill and hold arrangements are deemed to have transferred control of the goods to the customer at the point in time the goods are manufactured and stored separately in the warehouse because the customer has accepted the goods, directs and determines how the goods are used and can otherwise benefit from the goods.

Research and Development Costs

Research and development costs are charged to operations when incurred. Research and development costs were $2,233 and $34,944 for the years ended March 31, 2021 and 2020, respectively.

Cash Held in Financial Institutions

During the year ended March 31, 2021, there were instances when the Company's cash held in financial institutions exceeded the depositors' insurance provided by the Federal Deposit Insurance Corporation.

Sales Taxes

Sales (and similar) taxes that are imposed on our sales and collected from customers are excluded from revenues.

Shipping and Handling Costs

Costs for shipping and handling activities, including those activities that occur subsequent to transfer of control to the customer, are recorded as cost of sales and are expensed as incurred. The Company accrues costs for shipping and handling activities that occur after control of the promised good has transferred to the customer.

Date of Management's Review

Management has evaluated subsequent events through June 25, 2021, the date on which the financial statements were available to be issued.

NOTE 2: INTANGIBLE ASSETS

At March 31, 2021, the Company had the following intangible assets:

	Gross Carrying Amount	Accumulated Amortization	Net Value	Amortization Period
Amortized intangible assets:				
Customer lists	$ 266,859	255,470	$ 11,389	15 years
Covenants not to compete	55,314	55,314	-	15 years
	$ 322,173	310,784		
Unamortized intangible assets:				
Goodwill			87,294	
Franchise rights			3,133	
Total intangible assets			$ 101,816	

Total amortization expense for the years ended March 31, 2021 and 2020 was $833 and $278 respectively.

Future amortization expense is as follows:

Year Ended March 31	Amount
2022	833
2023	833
2024	833
2025	833
2026+	8,057
	$ 11,389

NOTE 3: NOTES PAYABLE

Lender	Collateral	Payment	Interest Rate	Maturity Date	Balance 3/31/2021
OakStar Bank	Business Assets	$ 4,530	3.750%	04/07/21	$ 40,205
			Less current portion		(40,205)
					$ -

The Company has a $500,000 line of credit with OakStar Bank. As of March 31, 2021, the Company had no borrowings against this line of credit leaving $500,000 available for future borrowing.

Cash payments for interest expense during the years ended March 31, 2021 and 2020, amounted to $2,583 and $4,559, respectively.

NOTE 4: PAYCHECK PROTECTION PROGRAM

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. On April 14, 2020, the Company obtained a PPP loan for $662,100. The Company incurred sufficient qualifying expenses during 2020 to qualify for 100% loan forgiveness. On November 5, 2020, the SBA formally forgave the PPP loan proceeds. The income forgiveness has been reported as other income on the statement of operations, and based upon recent tax legislation, will not be taxed for federal income tax purposes.

NOTE 5: INCOME TAXES

	2021	2020
Earnings before provision for income taxes	$ 1,791,857	322,703
Non-deductible expenses	11,253	55,688
Allowances for doubtful accounts	(58,700)	60,000
Depreciation	(271,215)	73,484
Amortization	(833)	(278)
Gain on sale of assets	(1,950)	-
Inventory allowance	(30,000)	-
Accrual to cash adjustment	53,221	(15,025)
Prior year charitable contribution carryforward	-	(7,536)
PPP loan forgiveness	(662,100)	-
Prior year net operating loss carryforward	-	(41,621)
Prior period adjustment	-	78,667
Taxable income	$ 831,533	526,082

Federal and state income taxes at statutory rates	$ 223,100	131,000
Deferred income taxes based on timing differences	77,400	(31,467)
Provision for income taxes	$ 300,500	99,533

During the fiscal years ended March 31, 2021 and 2020, the Company paid $120,667 and $53,386 toward income tax liabilities, respectively.

Deferred taxes result from differences in the recognition of expenses for income tax and financial statement purposes. The sources of these differences and the tax effect of each are as follows:

	2021	2020
Depreciation	$ 293,800	225,500
Bad debt	(6,400)	(21,100)
Accrued vacation	(30,400)	(25,600)
Cash to accrual adjustment	134,800	143,300
Inventory allowance	-	(7,500)
Amortization	19,800	19,600
	$ 411,600	334,200

NOTE 6: EMPLOYEE BENEFIT PLANS

Beginning in January 2020, the Company adopted a Safe Harbor 401k plan. Employees are eligible to participate after 60 days of service and automatically enrolled once eligible with 1% of earnings being contributed. The company matches up to 4% on the first 4% the employee contributes into the plan. Employer's contributions are subject to vesting as follows: 20% in year 2, 40% in year 3, 60% in year 4, 80% in year 5 and 100% after year 6. The Company's contributions to the plans during years ended March 31, 2021 and 2020 totaled $86,591 and $59,394, respectively.

NOTE 7: LONG TERM LEASES

The Company leases office and warehouse facilities from a limited liability company owned in part by the Company's majority shareholder. The minimum monthly lease payment is $32,374. The lease agreement expires on December 31, 2022.

The Company leases warehouse facilities from a limited liability company owned by the Company's majority shareholder. The lease agreement expired July 31, 2017, and a new lease agreement that was entered into on August 19, 2019 goes into effect August 1, 2020. The minimum monthly lease payment is $5,250. The lease agreement expires on July 31, 2023.

The Company leases warehouse facilities from an unrelated third party. The minimum monthly lease payment is $580. The lease agreement expired May 31, 2016, and a new lease agreement has not been signed. The Company is currently leasing the warehouse on a month-to-month basis.

The Company leases warehouse and office space from an unrelated third party. The minimum monthly lease is $1,558. The lease agreement expires July 31, 2021.

The Company leases building space from an unrelated third party. The minimum monthly lease payment is $550. The lease agreement expired March 1, 2020, and a new lease agreement has not been signed. The Company is currently leasing the warehouse on a month-to-month basis.

The Company leases 7 copiers from an unrelated third party. The minimum monthly lease payment is $1,957. The lease agreement expires February 6, 2025.

Future minimum lease payments for non-cancellable operating leases with initial or remaining periods of one year or more at March 31, 2021, are as follows:

Year Ended March 31	Amount
2022	481,206
2023	377,852
2024	44,486
2025+	19,571
	$ 923,114

Total rent expense under leases for the years ended March 31, 2021, and 2020 was $459,315 and $447,304, respectively.

NOTE 8: RELATED PARTY TRANSACTIONS

The Company paid Directors' fees in the amount of $4,200 and $4,200 during the fiscal years ended March 31, 2021 and 2020, respectively.

The Company owed shareholders $255,402 as of March 31, 2021. The loans are unsecured obligations and are due upon demand. The interest rate fluctuates yearly based on the interest rate of the 30-year Treasury bond at March 31. For the year ended March 31, 2021, the interest rate was 2.41%.

See Note 7: Long Term Leases for information regarding the rental of the Company's office facilities, main warehouse, and secondary warehouse from a limited liability company owned by the Company's majority shareholder.

NOTE 9: REVENUE FROM MAJOR CUSTOMERS

The Company has five major customers which combine to account for approximately 72% of the Company's total sales for the year ended March 31, 2021. The largest single customer accounted for approximately 26% of total sales for year ended March 31, 2021.

NOTE 10: FRANCHISE REVENUE

Aire-Master of America, Inc. is a franchiser of deodorizing and sanitation service outlets. When a franchise is sold, the Company agrees to provide certain services to the franchisee, including training personnel, design of promotional materials and advertising programs, and continuing supervision. Continuing franchise service fees are charged to franchises at 5% of the franchisee's gross sales.

Management is uncertain if initial franchise fee revenue will decline in the future or not. The following analysis details franchise ownership during the fiscal year ended March 31, 2021 and 2020:

	2021	2020
Franchise operating at beginning of year	111	108
Newly established franchises	1	4
Franchises transferred	-	-
Franchises terminated/expired	(3)	(1)
	109	111

In addition to the above referenced franchises, Aire-Master of America, Inc. operated five of its own separate franchises as of March 31, 2021.

NOTE 11: EXTRAORDINARY CIRCUMSTANCES

On March 22, 2020 the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact on many sectors of the economy, including industries in which the Company operates.

The negative impacts of COVID-19 did not negatively impact the Company's revenue for 2021; however, due to the rapidly changing business environment, unprecedented market volatility, and other circumstances, the extent of COVID-19's impact on future revenue as the pandemic continues cannot reasonably be determined. Future periods will be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. Management continues to monitor evolving economic and general business conditions and the actual and potential impact on the financial position, results of operations, and cash flows.

Exhibit D
Registered Agents

ARKANSAS:

The Corporation Company
417 Spring Street
Little Rock, AR 72201

CALIFORNIA:

Commissioner of the California
Department of Financial Protection and Innovation
(DFPI)
320 West 4th Street, Suite 750
Los Angeles, California 90013

or

C T Corporation System
818 W. 7th Street
Los Angeles, California 90017

HAWAII:

Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS:

Illinois Attorney General
500 South Second Avenue
Springfield, Illinois 62706

or

C T Corporation System
208 S. La Salle
Chicago, Illinois 60604

INDIANA:

Indiana Secretary of State
Securities Division, Franchise Section
302 West Washington, St., Room E-111
Indianapolis, Indiana 46204

IOWA:

C T Corporation System
2222 Grand Ave.
Des Moines, Iowa 50312

KANSAS:

The Corporation Company, Inc.
515 S. Kansas Ave.
Topeka, Kansas 66603

MARYLAND:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MISSISSIPPI:

CT Corporation System
645 Lakeland East Dr. Ste 101
Flowood, Mississippi 39232

MISSOURI:

John M. Carnahan III
Carnahan, Evans, Cantwell & Brown P.C. 2805 S.
Ingram Mill
Springfield, Missouri 65804

NEW JERSEY:

The Corporation Trust Company
820 Bear Tavern Road
West Trenton, New Jersey 08628

NEW YORK:

New York Department of State
99 Washington Avenue, 6th Floor
New York, New York 12231

NORTH DAKOTA:

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol Fifth Floor Dept 414
Bismarck, North Dakota 58505-0510

OKLAHOMA:

The Corporation Company
735 First National Building
Oklahoma City, Oklahoma 73102

OREGON:

C T Corporation System
520 SW Yamhill, Suite 800
Portland, Oregon 97204

RHODE ISLAND

Rhode Island Director of Department of Business Regulations
1511 Pontiac
John O. Pastore Complex, Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Director of the Division of Insurance
Securities Regulation
124 South Euclid Suite 104
Pierre, South Dakota 57501

VIRGINIA:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, Virginia 23219

If a state is not listed, Aire-Master has not appointed an agent for service of process in that state in connection with the requirements of Franchise laws. There may be states in addition to those listed above in which Aire-Master has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

Exhibit E
List of Administrators

FEDERAL TRADE COMMISSION (FTC):
Federal Trade Commission
Washington, D.C. 20580
(202) 326-3128

CALIFORNIA:
Commissioner of the California
Department of Financial Protection and Innovation
(DFPI)
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7500
Toll Free: (866) 275-2677
(or at any of its locations)

HAWAII
Department of Commerce & Consumer Affairs
Division of Business Regulation
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2744

ILLINOIS:
Office of the Illinois Attorney General
500 South Second Avenue
Springfield, Illinois 62706
(217) 782-4465

INDIANA:
Indiana Secretary of State
Securities Division, Franchise Section
302 West Washington, St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND:
Office of the Maryland Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN
Michigan Department of Attorney General
Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
(517) 373-1140
Toll Free (877) 765-8388

NEW YORK:
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 2416-8222

NORTH DAKOTA:
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol Fifth Floor Dept 414
Bismarck, North Dakota 58505-0510
(701)-328-4712

RHODE ISLAND
Rhode Island Division of Securities
1511 Pontiac
John O. Pastore Complex, Building 69-1
Cranston, Rhode Island 02920
(401) 462-9527

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

TEXAS:
Secretary of State
P.O. Box 12697
Austin, Texas 78701
(512) 463-5701

VIRGINIA:
Virginia State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, Ninth Floor
Richmond, VA 23219
(804) 371-9051

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Exhibit G

STATE SPECIFIC APPENDIX

State Cover Page

CALIFORNIA:

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the franchise disclosure document.

The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFRONIA 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.

Aire-Master's website address (URL) is http://www.airemaster.com

a. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning transfer, termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control. (Note: This is required to be disclosed in all filings.)

b. 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.).

c. 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.

d. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

e. The franchise agreement requires binding arbitration. The arbitration will occur at (indicate site) with the costs being borne by (explanation). 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.

f. The franchise agreement requires application of the laws of Missouri. This provision may not be enforceable under California law.

Aire-Master will comply with all appropriate laws governing any direct financing offered by Aire-Master to you, including, if applicable, the California Finance Lenders Law.

The highest interest rate allowed by law in California is 10% annually.

The franchise agreement requires you to execute a general release of claims on renewal or transfer of the franchise agreement. California Corporation Code 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporation Code section 31000-31516). Business and

Professions Code section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code sections 20000-20043).

California Corporation Code, section 31125 requires Aire-Master to give you a disclosure document, in a form containing the information the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

The California Franchise Investment Law requires a copy of all proposed agreements relating to the franchise be delivered together with the FDD (this document).

FLORIDA: Fla. stat., 1985, ch. 817, sec. 559.811 (Item 17)

ILLINOIS (Item 17):

The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 AND 705/20.

Illinois Administrative Code, Title 14, Subtitle A, Chapter II, Part 200.608 provides that a franchise agreement shall not provide for a choice of law provision for any state other than Illinois.

Illinois law governs the agreement between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act dictates that:

> "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of [Illinois] is void with respect to any cause of action which otherwise is enforceable in [Illinois], provided that a franchise agreement may provide for arbitration in a forum outside [Illinois]."

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void.

MARYLAND (Item 17):

PURSUANT TO COMAR 02.02.08.16L, THE GENERAL RELEASE REQUIRED AS A CONDITION OF RENEWAL, SALE, AND OR ASSIGNMENT/TRANSFER SHALL NOT APPLY TO ANY LIABILITY UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

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

Pursuant to the Maryland franchise registration and disclosure law, the franchise agreement provision that franchisee may be sued in the Circuit Court of the Judicial Circuit of the State of Missouri, and of the Federal Court for the Western District of Missouri shall not prohibit franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

NEW YORK:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE

COMMISSION AND APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 3

NEW YORK:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

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

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

Item 5

NEW YORK:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

Item 17

NEW YORK: The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this

proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

NEW YORK: The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

NEW YORK: he following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

NEW YORK: The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

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

NORTH CAROLINA:

Gen. Stat. North Carolina, Ch. 66, Art. 19, § 66-95

"If the seller (Aire-Master) fails to deliver the product(s), equipment, or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract (the Franchise Agreement), you may notify the seller in writing and demand that the contract be canceled."

NORTH DAKOTA

COVENANTS NOT TO COMPETE MAY BE SUBJECT TO NORTH DAKOTA CENT. CODE 9-08-06. Covenants not to compete are generally considered unenforceable in the State of North Dakota.

The following provisions are subject to applicable North Dakota law, which the Commissioner has held to be unfair, unjust and inequitable within the intent of Section 51-19-09:

covenants restricting competition contrary to Section 9-08-06, N.D.C.C.;
franchisee consent to the jurisdiction of courts outside of North Dakota;
franchisee consent to liquidated damages or termination penalties;
provision that the Franchise Agreement is governed by the laws of a state other than North Dakota;
waiver of trial by jury;
requirement that franchisee waive exemplary and punitive damages;
requirement that franchisee sign a general release on renewal of the Franchise Agreement;
requirement that franchisee consent to a limitation of claims;
designation of jurisdiction or venue in a forum outside of North Dakota; and
requirement that franchisee pay all Franchisor's costs and expenses incurred in enforcing the agreement.

SOUTH DAKOTA:

Covenants not to compete upon termination or expiration of the franchise agreement are generally unenforceable in the State of South Dakota, except in certain instances provided by law. SDCL 53-9-8.

TEXAS: Tex.Rev.Civ.Stat., 1925, Title 79, ch. 16, art. 16.09(9)

"If the seller (Aire-Master) fails to deliver the product, equipment, or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract (the Franchise Agreement), you may notify the seller in writing and cancel your contract."

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

California	July 14, 2022
Florida	July 25, 2022
Hawaii	June 29, 2022
Illinois	July 5, 2022
Indiana	August 1, 2022
Maryland	July 21, 2022
Michigan	August 17, 2022
New York	
North Dakota	July 8, 2022
Rhode Island	July 6, 2022
South Dakota	July 31, 2022
Virginia	July 21, 2022

The effective date of this Franchise Disclosure Document in all the other states is the June 30, 2022 issuance date.

RECEIPT

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

If Aire-Master offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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

If Aire-Master does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit E.

Franchisor is Aire-Master of America, Inc., and its employees involved in the franchise sale process include Jim Roudenis and Michael Kelly, located at 1821 N. Hwy CC, with mailing address of P.O. Box 2310, Nixa, Missouri 65714, and its telephone number is (651) 587-9829.

Issuance date: June 30, 2022.

Aire-Master authorizes those persons listed in Exhibit D to receive service of process for Aire-Master.

I received a disclosure document dated June 30, 2022, that included the following Exhibits:

A.1	Aire-Master of America Franchise Agreement
A.2	Promissory Note
A.3	Security Agreement
A.4	UCC Financing Statement
A.5	Guaranty
A.6	Deed of Trust
A.7	Release and Consent to Transfer Agreement
A.8	Designated Persons/ Patriot Act Affidavit
A.9	Franchisee Fee Deposit Agreement
A.10	Franchise Agreement Amendment for Qualifying Existing Franchises Developing Additional Territory – Deferred Franchisee Fee Payment
A.11	Franchise Agreement Amendment for Qualifying Existing Franchises Developing Additional Territory – Option to Continue after Initial Two Year Term
A.12	Franchise Agreement Amendment – Miscellaneous (add/remove franchisee / revise Territory)
B.1	List of Franchisees
B.2	List of Former Franchisees who left during prior franchisor's fiscal year
B.3	List of Franchisees related to persons listed in Item 2
B.4	List of Franchisees who have transferred
C.1	"Independent Auditor's Report "as of March 31, 2022, and March 31, 2021
C.2	"Independent Auditor's Report "as of March 31, 2021, and March 31, 2020
D	List of registered agent for service of process in various states
E	List of Administrators
F	Operations Manual Table of Contents
G	State Specific Appendix

Prospective Franchisee:

By: _____ _____ By: _____ _____

(Do not leave blank) Date Date

You must sign, date, and mail this receipt to Aire-Master at P.O. Box 2310, Nixa, Missouri 65714, or email a copy of the signed and dated receipt to Michael Kelly, Aire-Master at mkelly@airemaster.com.

(COPY TO BE RETAINED BY YOU)

RECEIPT

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

If Aire-Master offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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Prospective Franchisee:

By: _____ _____ By: _____ _____

(Do not leave blank) Date Date

You must sign, date, and mail this receipt to Aire-Master at P.O. Box 2310, Nixa, Missouri 65714, or fax a copy of the signed and dated receipt to Michael Kelly, Aire-Master at mkelly@airemaster.com.

(COPY TO BE SIGNED AND RETURNED TO AIRE-MASTER)