FRANCHISE DISCLOSURE DOCUMENT

BLACK BUCK FRANCHISING, LLC
a Washington limited liability company
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We are BLACK BUCK FRANCHISING, LLC, a Washington limited liability company. We offer franchises to qualified individuals and entities to own and operate a Biodynamic franchise using our programs and systems (collectively the "**System**") and the name Biodynamic and our related trademarks, service marks and logos (collectively the "**Marks**"). We license our franchisees to own and to operate franchises using our System and Marks. We authorize our franchisees to offer mold remediation with a focus on small particulate cleanup (SPC) and related rebuild services. We also offer the opportunity to add one or more of the following disaster restoration and niche industrial services and related rebuild services: (1) water damage restoration; (2) fire damage restoration; (3) dry ice blasting; (4) laser ablation; (5)contents restoration and storage; (6) bioremediation; (7) duct cleaning services; and (8) subscription cleaning services.

The approximate total investment necessary to begin operation of a Biodynamic franchise is $104,574 to $438,450. This includes $46,000 to $90,000 payable to the franchisor or its affiliate(s).

The total investment necessary to begin operation under a Biodynamic Multiple Franchise Purchase Addendum is $139,574 to $738,450. This includes $75,000 (for the right to develop two franchises without disaster restoration and niche industrial services) to $380,000 (for the right to develop four franchises with all eight disaster restoration and niche industrial services described above) that must be paid to the franchisor or its affiliate(s).

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 our President, Matthew Ballou, at 6705 NE 79th Ct., Suite #1, Portland, OR 97218, 503-828-2520, franchising@biodynamic.biz.

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: January 16, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit M.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A 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 Biodynamic business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Biodynamic franchisee?	Item 20 or Exhibit M 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 C.

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

Special Risks to Consider About *This* Franchise

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

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

2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchisor in a system with a longer operating history.

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

4. **Personal Guaranty.** Franchisees must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

5. **Sales Performance Required.** 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.

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.

TABLE OF CONTENTS

ITEM

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

Exhibits:

A. Financial Statements
B. Standard Franchise Agreement
    - Exhibit 1 Franchise Premises and Territory
    - Exhibit 2 Lease Addendum
    - Exhibit 3 Multiple Franchise Purchase Addendum
    - Exhibit 4 Promissory Note (for Financing of the Initial Franchise Fee)
C. List of State Agents for Service of Process and State Administrators
D. Conditional Assignment
E. Cancellation of Assumed Business Name
F. Electronic Funds Transfer Authorization
G. Lists of Current and Certain Former Franchisees
H. Form of General Release
I. Personal Guaranty
J. Confidentiality and Non-Competition Agreement
K. State Law Addendum
L. Operations Manual Table of Contents
M. ~~Lists of Current and Certain Former Franchisees~~
~~N.~~ State Effective Dates
~~O~~N. Receipts

Item 1
The Franchisor, and any Parents, Predecessors, and Affiliates

We are BLACK BUCK FRANCHISING, LLC, a Washington limited liability company (called "we," "us," or "our" in this disclosure document) formed effective June 9, 2023. We do business under the name "Biodynamic" and the Biodynamic logos. We do not intend to do business under any other names. "You" means the prospective purchaser of a Biodynamic franchise, and includes owners or partners of a corporation, partnership, or other legal entity that purchases a Biodynamic franchise. The business operated under the franchise agreement ("**Franchise Agreement**") is referred to as the "**Franchise**" in this disclosure document.

We are the franchisor of the Biodynamic franchise system. Our principal office address is 6705 NE 79th Court, Suite #1, Portland, OR 97218. Our telephone number is 503-828-2520. We have offered franchises since March 2023. We do not have any other business activities. We have never offered franchises in any other line of business. We do not operate any businesses of the type being franchised. We may produce and sell innovative advertising and sales promotion materials. We and our affiliates may attempt to negotiate group discount rates for the benefit of our franchisees for products and services and marketing and sales materials.

Our registered agents for service of process are outlined in Exhibit C to this disclosure document.

The Franchises We Offer

We license our franchisees to own and to operate franchises using our System and Marks. We authorize our franchisees to offer mold remediation with a focus on small particulate cleanup (SPC). We also offer the opportunity to add one or more of the following disaster restoration and niche industrial services and related rebuild services: (1) water damage restoration; (2) fire damage restoration; (3) dry ice blasting; (4) laser ablation; (5) contents restoration and storage; (6) bioremediation; (7) duct cleaning services; and (8) subscription cleaning services. In the future, we may offer the opportunity to add lead paint abatement and asbestos abatement services.

We may offer to qualified prospects the opportunity to purchase multiple franchises simultaneously. Such franchises would be opened within a Development Area and subject to a Development Schedule as described and defined in a Multiple Franchise Purchase Addendum (attached as Exhibit 3 to the Franchise Agreement). You would sign all the multiple Franchise Agreements and corresponding Multiple Franchise Purchase Addendums simultaneously up front (as opposed to signing our then-current form of franchise agreement in the future).

Parents, Predecessors and Affiliates

We have no parents or predecessors that are required to be disclosed in this disclosure document.

BLACK BUCK ENTERPRISES LLC, an Oregon limited liability company, is our affiliate. Its principal address is the same as ours. Our affiliate has conducted a business offering mold remediation and related rebuild services since September 2010 and with a focus on small particulate cleanup (SPC) services since 2016. Our affiliate has never offered franchises in this or any other lines of business.

Our affiliate's parent company is BLACK BUCK HOLDINGS LLC, an Oregon limited liability. This company's principal address is the same as ours. It has not conducted a business offering products or services similar to those to be offered by our franchisees, but its wholly owned subsidiary (our affiliate)

has. This company has never offered franchises in this or any other lines of business.

We and our current and future affiliate(s) retain the right to own or operate additional Biodynamic outlets.

Market and Competition

The market for mold remediation and related rebuild services in general is well developed. However, the market for mold remediation with a focus on small particulate cleanup (SPC) is not well developed. The market for disaster restoration services in general is well developed. However, the markets for certain specific types of damage restoration and niche industrial services that our franchisees may offer are still developing. These include dry ice blasting and laser ablation services.

The principal sources of direct competition for your Franchise are other mold remediation and disaster restoration businesses. Sources of indirect competition may include construction contractors in general.

Industry-Specific Regulations

Franchisees doing disaster restoration and construction-type work should be mindful of environmental laws, such as NESHAP (National Emissions Standards for Hazardous Air Pollutants), and OSHA (Occupational Safety and Health Administration) regulations, as well as those laws and regulations surrounding work in buildings with lead paint or asbestos. Some states have mold remediation laws. Some products used in our System may contain ingredients regulated by the Environmental Protection Agency (EPA). Certain states may require licensing and certification requirements for applying microbials that are EPA registered. In addition, if you perform or subcontract certain disaster restoration-related services, your state may require you to obtain a contractor's license. You will need to contact your state and local authorities to determine whether there are any local regulations or ordinances that apply to your franchise.

You must only use as subcontractors those who are properly licensed, bonded, insured, and otherwise in compliance with applicable law and our minimum standards in our operations manual.

Otherwise, we are not currently aware of any laws or regulations specific to the industry in which the franchise business operates. It is solely your responsibility to comply with laws, regulations and requirements applicable to your business. With your own independent professional advisors, you should investigate the laws, regulations and requirements that may apply to the geographic area in which you are interested in locating your franchise and should consider both the effect and cost of compliance.

The Franchise Agreement states that you are not our agent, legal representative, joint venturer, partner, employee, or servant for any purpose. You will be an independent contractor and will not be authorized to make any contract, agreement, warranty or representation or to create any obligation, express or implied, for us.

Item 2
Business Experience

Matthew Ballou: Our President and Member-Manager

Matthew Ballou has been our President and Member-Manager in Vancouver, Washington since our inception in June 2023. He has been Member-Manager for our affiliate, BLACK BUCK ENTERPRISES LLC, in Portland, Oregon since May 2010 and for its parent company, BLACK BUCK HOLDINGS LLC, since that same date.

Jennifer Ricca: Chief Operating Officer

Jennifer Ricca has been our COO since August 2024. She was Branch Manager at NW Staffing in Tigard, Oregon from May 2024 to August 2024. She was Branch Manager at Springrock Gutters in Tigard, Oregon from March 2023 to May 2024. She was Regional Operations Manager at HHM in Branson, Missouri from December 2020 to March 2023.

Scott O'Haver: Director of Mitigation Services

Scott O'Haver has been our Director of Mitigation Services since August 2024. He was Assistant Superintendent for Skanska in Hillsboro, Oregon from August 2022 to July 2024. He owned Scott O'Haver LLC in Battle Group, Washington from August 2021 to February of 2023. He was Project Supervisor for Paul Davis Restoration in Vancouver, Washington from October 2014 to August 2021.

Andrea Stenberg: Director of Contents and Cleaning Services

Andrea Stenberg has been our Director of Contents and Cleaning Services since October 2024. She was Contents Manager at Cascade Contents, LLC in Vancouver, Washington from February 2024 to October 2024. She was Safety Coordinator at Purelight Power, LLC in Medford, Oregon from October 2022 to February 2024. She was Production Cleaning Manager at Paul Davis Restoration, LLC in Vancouver, Washington from September 2018 to September 2022.

Ty Johnson: General Manager

Ty Johnson has been our General Manager since our inception in June 2023. He has been General Manager for our affiliate, BLACK BUCK ENTERPRISES LLC, in Portland, Oregon since June 2016.

Item 3
Litigation

No litigation is required to be disclosed in this Item.

Item 4
Bankruptcy

No bankruptcy is required to be disclosed in this Item.

Item 5
Initial Fees

Initial Franchise Fee (Standard Franchise)

The Initial Franchise Fee for a standard franchise is $40,000. This is for a standard franchise to offer mold remediation and related rebuild services with a focus on small particulate cleanup (SPC). The Initial Franchise Fee is payable upon signing the Franchise Agreement. Or, we may offer financing for the Initial Franchise Fee as described in Item 10 of this disclosure document.

Initial Franchise Fee (Conversion Franchise)

The standard Initial Franchise Fee is discounted to $30,000 for a conversion franchise, which means you already have a pre-existing and operating remediation, mitigation, or restoration business that meets our requirements for a conversion franchise and that will adopt the Biodynamic franchise system.

Initial Franchise Fee (Add-On Services)

You may add one or more of the following disaster restoration and niche industrial services and related rebuild services for an additional $5,000 for each: (1) water damage restoration; (2) fire damage restoration; (3) dry ice blasting; (4) laser ablation; (5) contents restoration and storage; (6) bioremediation; (7) duct cleaning services; and (8) subscription cleaning services. In the future, we may offer the opportunity to add lead paint abatement and asbestos abatement services. For example, if you purchase a standard franchise with three add-on services, the total Initial Franchise Fee will be $55,000. The Initial Franchise Fees are due upon signing the Franchise Agreement and are non-refundable.

Multiple Franchise Purchases

If you are purchasing multiple franchises simultaneously, then you will sign multiple Franchise Agreements at the same time and will sign a Multiple Franchise Purchase Addendum. You will pay 100% of the Initial Franchise Fee for the first franchise and 50% of the Initial Franchise Fees for each additional franchise at the time you sign such Franchise Agreements and Addendum. You will pay the 50% unpaid balance of the Initial Franchise Fees for the additional franchises before signing the lease (or purchase agreement) for each relevant Franchise Premises.

Certain Equipment, Supplies, and Inventory

We may develop proprietary anti-microbial and microbial shield products. If available, you must purchase such products from us or our affiliate. We estimate that your cost to purchase an initial stock of these products before you open for business will range from approximately $6,000 to $10,000 per franchise.

Miscellaneous

The initial fees are uniform except as described in this Item 5.

We may offer franchises at a reduced rate to prospective franchisees who in our opinion possess the knowledge and experience to conduct business with minimal assistance from us or who are purchasing multiple franchises. We may grant new franchises to our owners and employees and their family members with reduced or no initial fees.

You will be responsible for paying all other fees required under the applicable Franchise Agreements as provided in those agreements. These fees are not refundable under any circumstances.

Item 6
Other Fees

Type of Fee	Amount[8]	Date Due	Remarks
Monthly Royalty Fee	9% of your monthly Gross Revenue[1]	Payable monthly by the 5th day of each month[2] for the prior month	See Notes 1 and 2
Monthly Brand Development Fee[3]	1% of your monthly Gross Revenue[1]	Payable monthly by the 5th day of each month[2] for the prior month	See Notes 1 and 2
Regional Advertising Fund Contribution[3]	Up to 2% of your Gross Revenue pursuant to a vote of the franchisees in the region	As voted and approved by your local advertising cooperative (only if 75% of the franchisees in an advertising region vote to establish a Regional Advertising Fund).	See Note 3.
Additional Training at Franchisee's Request	Then-current rates, currently $750 per day. You are responsible for your and our transportation, meals and lodging (and wages for your employees).	Before or after you open your franchise for business.	See Note 5.
Additional Training, Refresher Training, or Conventions Required or Offered by Franchisor	We may charge a training fee equal to 10% of the total amount of our out-of-pocket costs related to the training (including but not limited to our costs described below). You are responsible for your and our transportation, meals, and lodging (and wages for your employees).	Before or after you open your franchise for business.	See Note 5.
Additional Training Required by Franchisor Based on Franchisee's Deficiency	Then-current rates, currently $750 per day. You are responsible for your and our transportation, meals and lodging (and wages for your employees).	Before or after you open your franchise for business.	See Note 5.
Training for New Managers (if Conducted by Franchisor)	Then-current rates, currently $750 per day. You are responsible for your and our		Each manager you hire must complete the mandatory training program before

Type of Fee	Amount[8]	Date Due	Remarks
	transportation, meals and lodging (and wages for your manager(s)).		assuming management duties. This training program will be conducted by us or by you in accordance with our specifications, at our discretion.
Transfer Fee[6]	$12,000 (or $2,500 if the owners of an entity franchisee are transferring less than 20% of the ownership interest in the entity)	Before transfer	Paid to us if you transfer your franchise. This amount covers our legal, accounting, credit check, and investigation expenses that result from the transfer. The Transfer Fee is subject to state law.
Transfer Commission Fee	10% commission on the gross transfer price (excluding the price of real property)	Upon transfer	Paid to us if we obtain the transferee for you
Renewal Fee	$2,500	Upon renewal	
Relocation	You will reimburse us for our reasonable out-of-pocket costs concerning the relocation.	Before relocation	
Late Charge	1.5% per month	Each month that amounts owed remain unpaid	You will not be compelled to pay late charges at a rate greater than the maximum allowed by applicable law.
Administrative Fee	5% of the amount due	As incurred	You will not be compelled to pay an administrative fee in an amount greater than the maximum allowed by applicable law.
Proposed Source Testing Costs	As incurred	As incurred	You must reimburse us for our out of pocket expenses and costs we incur to test new products or sources you request for approval (See Item 8 and Franchise Agreement Section 5.1).

Type of Fee	Amount[8]	Date Due	Remarks
Audit[7]	Our reasonable costs for the audit if you understate Gross Revenue by more than 2% or fail to deliver to us required reports on time	Immediately upon demand	See notes below.
Optional Administrative Assistance Fees[8]	Currently $65 per hour for the first 3 months; $75/hr. for the next 3 months; $100 /hr. for the next 6 months; and $175/hour from and after the first year	Immediately upon demand	See notes below.
Re-Inspection Fee	Then-current rates, currently $750 per re-inspection plus the costs of our inspector's transportation, meals and lodging	On demand	You pay this fee if we must re-visit your Territory for an inspection after you have already been notified of any deficiency or non-satisfactory condition.
Cured Lease Breach Reimbursement Fee	As incurred	As Incurred	If we cure any breach by you under the lease or sublease, you must pay us the total amount of all costs and payments we incur in effecting the cure.
Interim Management Fees	As incurred	As Incurred	You must pay us a reasonable management fee for management services if we step-in to operate your franchise pursuant to the Franchise Agreement. We will not be liable for any debts, losses, costs or expenses incurred in the operation of the Franchise during any interim management period.
Alternative Supplier Review Fee	As incurred	As incurred	We may charge a reasonable fee to evaluate alternative suppliers and supplies

7 – Biodynamic Franchise Disclosure Document

Type of Fee	Amount[8]	Date Due	Remarks
			that you propose.
Damages Upon Termination for Default	The amount you would have paid for Royalty Fees, Brand Development Fees and other ongoing fees from the date of termination through the end of the term based on the higher of your average monthly Gross Revenue from 12 months preceding the termination or the minimum Gross Revenue Requirement in Section 5.13	Within 15 days following the date of termination.	Payable if you default and we terminate your Franchise Agreement. See the State Law Addendum attached to the FDD for state-required revisions to the Franchise Agreement's liquidated damages provisions.
Liquidated Damages for Violation of Restrictive Covenants	The actual profit (defined as Gross Revenue minus direct costs) from each project that violates a Covenant	Immediately upon notice	These liquidated damages apply if you violate any of the following covenants (each a "Covenant") in the Franchise Agreement: Section 5.6 (Confidentiality Information), Section 5.7 (In-Term Non-Competition Covenant), Section 6.6 (Post-Termination Non-Competition Covenant), or other similar covenants in the Franchise Agreement.
Indemnification	As incurred	As incurred	You must defend, indemnify and hold us harmless from all claims, losses, and expenses (including attorneys' fees) damages arising out of or connected with your Franchise and the business activities, acts or omissions (whether or not negligent or wrongful) of you and your employees and

Type of Fee	Amount[8]	Date Due	Remarks
			agents.
Cost of Enforcement	As incurred	As incurred	We may recover from you the amount of our reasonable attorneys' fees and all other expenses we incur in enforcing your monetary and other obligations under the Franchise Agreement with or without legal action.

Unless otherwise indicated in this Item 6, all ongoing fees are: (i) imposed by and payable to us, (ii) non-refundable, and (iii) uniformly imposed.

Notes:

1) Gross Revenue and Reporting. "Gross Revenue" means all receipts generated by the franchise from any source including sales, exchanges, services, labor, service charges, etc. (except as otherwise provided in the following paragraph with respect to subcontracted restoration services). Gross Revenue includes all types of remuneration, gift, barter, charity, payment in kind, or any other benefit or value that is received or deferred to be received. Credit sales shall be calculated as of the date of sale without deduction for uncollected credit accounts. Unless otherwise specified in the Operations Manual, any expenses related to goods or services provided to you or your customers by any parties related to you (acting as a subcontractor, vendor, or otherwise) are not deductible as adjustments from Gross Revenue. The proceeds from any business interruption insurance you receive will be included in "Gross Revenue." "Gross Revenue" shall not include bona fide credits for returns, refunds, promotional discounts, and sales taxes.

   Only you and your employees will perform "mitigation" services for your customers. Generally speaking, mitigation services include SPC and traditional mold remediation, and subscription cleaning services. We may define this term more specifically in our Operations Manual. All revenue from mitigation services will be included in your Gross Revenue. On the other hand, you may subcontract out "restoration" services for your customers. Generally speaking, restoration services include water mitigation, fire mitigation, dry ice blasting, laser ablation, contents cleaning and storage, bioremediation, and duct cleaning. We may define this term more specifically in our Operations Manual. If you subcontract out restoration services to one or more Approved Subcontractors (defined below), you may exclude the amount(s) you paid those Approved Subcontractors from your Gross Revenue. Otherwise, all revenue will be included in your Gross Revenue.

   "Approved Subcontractor" means any subcontractor that (a) is not an affiliate of yours and (b) either (i) is paid less than 20% of the total Gross Revenue of the relevant project; or (ii) has been approved in writing by us upon your completion of our *Application for Approval of a Subcontractor for Restoration Services* form.

You will deliver to us, as outlined in the Operations Manual, an itemized report of your Gross Revenue for the preceding month. The report must be in the form we designate. All Royalty Fee, Brand Development Fee and other fee payments based upon the Gross Revenue for the preceding month must be submitted with the report.

2) Automatic Withdrawal. We may require you to make fee payments by automatic account withdrawal or other automatic processes we reasonably specify in the Operations Manual, such as check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer or the internet.

3) Brand Development Fee. The Brand Development Fee is described in more detail in Item 11 of this disclosure document. Brand Development Fee payments are in addition to and exclusive of any sums that you may decide to spend on local advertising and promotion.

4) Regional Advertising Cooperative. Subject to our prior written approval, if at any meeting of the franchisees in an advertising region, 75% of the franchisees vote to contribute to a regional advertising program, all franchisees within that region will be obligated to make a contribution to a regional advertising fund in the amount established by the vote. No advertising region may require any franchisee in that region to contribute to a Regional Advertising Fund in excess of 2% of that franchisee's Gross Revenue.

5) Additional Training.
   a. *Requested by You.* Training requested by you will be at our headquarters or at other agreed upon locations. The duration and timing of this training is negotiable depending upon your needs and our availability.
   b. *Required or Offered by Us.* We may provide refresher training programs or seminars and may require that you or your managers attend and complete them to our satisfaction. These programs and seminars will be held at locations we designate.
   c. *Additional Training Required by Franchisor Based on Franchisee's Deficiency*. We may require you to participate in additional training if you breach the Franchise Agreement or fail to meet our standards and specifications in the opening or operation of your Franchise as we determine at our discretion. This training will typically be held at our headquarters or your location at our discretion.
   d. You will not receive any compensation for services rendered by the trainee during any training. We may designate qualified franchisees, area representatives, or third parties to conduct some or all of your training.

6) Transfer Fee. The Transfer Fee is payable by you or the transferee if you transfer your franchise (see Franchise Agreement, Section 7.1). If you obtain a franchise by purchasing the business of one of our existing franchisees, then you may also incur certain costs associated with bringing your franchised business into compliance with our requirements.

7) Audits. We may audit your reports, books, statements, business records, cash control devices, bank and credit card accounts, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you (1) understate the Gross Revenue for any reported period or periods by more than 2%, (2) fail to deliver any required report of Gross Revenue or any required financial statement in a timely manner, or (3) the audit reveals that you have violated any provision of the franchise agreement (or any related agreement) or any of our standards or specifications. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel

expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees, Brand Development Fees, all other fees and late payment charges that the audit determines are owed. These payments will not prejudice any other remedies we may have under this Agreement or by law.

8) Optional Administrative Services. We may make available to you optional administrative services to assist with the operation of your franchise. These services may include preparing estimates, invoicing customers, and other administrative services. We anticipate that these services would be provided during an initial phase of your business (to be determined) and not long term. You will pay us our then-current fees for such services, which may be based on hourly rates, daily rates, or other calculations.

   Notwithstanding the foregoing, for bioremediation projects, we will provide certain administrative services remotely (e.g. via Zoom) at no additional cost to you for the first 10 estimates or the first 5 awarded projects (whichever comes first). Currently, such administrative services include review of report from physician, industrial hygienist, or other referral source; preparation of estimates; consultation with potential customer about the estimate; scheduling; contracting and invoicing for the initial deposit invoice; miscellaneous project management as needed; reconciliation and final invoicing; and post-testing follow-up (if any). We reserve the right to add, remove, or otherwise modify these services. After providing these initial administrative services for bioremediation projects, we will provide additional optional administrative services upon your request at our then-current fees. Our current fees are outlined in the table above.

9) We reserve the right to increase the amount of any fixed fee, fixed payment, or fixed amount (i.e., not stated as a percentage) under the Franchise Agreement based on any increase in costs related to providing such services. We also reserve the right—if any fixed fee, payment, or amount due from you under the Franchise Agreement encompasses any third-party charges we collect from you on a pass-through basis (i.e., for ultimate payment to the third party)—to increase the fixed fee, payment, to reflect increases in the third party's charges to us.

Item 7
Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT
(Single Franchise Agreement)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is Made
Initial Franchise Fee[1]	$40,000 to $80,000	Cash, Certified Check or Wire Transfer	See Note 1	Us
Rent and Security Deposit – Pre-Opening and First 3 Months[2]	$3,000 to $12,000	As Incurred	As Incurred	Landlord
Computer Hardware and Software[3]	$350 to $4,000	As Arranged	Before Opening	Suppliers
Furnishings,	$9,274 to $27,000	As Incurred	Before Opening	Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is Made
Equipment, and Supplies[4]				
Anti-Microbial and Microbial Shield Products[4]	$6,000 to $10,000	As Incurred	Before Opening	Us or Our Affiliates if Available, Otherwise from Designated Suppliers
Vehicle and Trailer[4]	$14,000 to $70,000	As Incurred	Before Opening	Supplier
Vehicle Wrap[6]	$1,200 to $3,500	As Incurred	Before Opening	Supplier
Signage[5]	$250 to $1,250	As Incurred	Before Opening	Suppliers
Payroll – Pre-Opening and First 3 Months	$15,000 to $121,700	As Incurred	As Incurred	Employees
Out-of-Pocket Expenses During Training[6]	$4,000 to $19,000	As Incurred	During Training	Airlines, Hotels, Restaurants, etc.
Initial Marketing Activities[7]	$0 to $7,500	As Incurred	Before Opening	Suppliers
Licenses and Permits	$0 to $7,500	As Incurred	As Incurred	Government agencies, etc.
Professional Fees	$0 to $12,000	As Incurred	As Incurred	Professionals (such as Accountant or Lawyer)
Insurance	$2,500 to $36,000	As Incurred	Before Opening	Insurers
Additional Funds – 3 Months[8]	$9,000 to $27,000	As Incurred	As Incurred	Employees, Suppliers, Utilities, etc.
Total[9]	**$104,574** to **$438,450**			

Notes:

1. Initial Franchise Fees. The Initial Franchise Fee for a standard franchise is $40,000. This is for a standard franchise to offer mold remediation and rebuild services with a focus on small particulate cleanup (SPC). You may add one or more of the following disaster restoration and niche industrial services and related rebuild services for an additional $5,000 for each: (1) water damage restoration; (2) fire damage restoration; (3) dry ice blasting; (4) laser ablation; (5) contents restoration and storage; (6) bioremediation; (7) duct cleaning services; and (8) subscription cleaning services. The high-end estimate is based on the purchase of all six add-on services. The Initial Franchise Fee(s) is/are payable upon signing the Franchise Agreement or upon signing the Multiple Franchise Purchase Addendum, if applicable. Or, we may offer financing for the Initial Franchise Fee as described in Item 10 of this disclosure document.

2. Rent and Security Deposit. The disclosed low-high range also does not include estimated costs to

purchase land and building because we do not require you to purchase your premises. You must lease appropriate space if you do not own adequate space. The Franchise Premises will consist of an office and warehouse. It is difficult to estimate lease acquisition costs because of the wide variation in these costs between various locations. Lease costs will vary based upon square footage, cost per square foot and required maintenance costs. This table does not estimate the cost of tenant improvements because we assume that most franchisees will not need to make tenant improvements.

3. Computer Hardware and Software. Computer hardware and software is required as outlined in the Operations Manual. The low-end of the estimate assumes you already have certain computer hardware and software that meets our criteria. You must have or purchase a computer, printer and scanner and have telephone and high-speed internet consistent with minimum requirements and standards that may be outlined in the Franchise Agreement and the Operations Manual.

4. Vehicle, Trailer, Furnishings, Equipment, Supplies, and Products. The vehicle(s) and trailer(s) you use in the operation of the Franchise must comply with our minimum standards and specifications. The low-end of this estimate assumes you already own a vehicle and trailer that meet our requirements. You must purchase equipment, office furnishings and supplies, and anti-microbial and microbial shield products consistent with the operational needs of your Franchise and consistent with our standards and specifications as may be outlined in our Operations Manual.

5. Signage and Vehicle Wrap. You must purchase signage and vehicle wrap as may be outlined in the Operations Manual.

6. Training. The costs of training are included in your Initial Franchise Fee. The estimates in the above table cover out-of-pocket expenses that you incur associated with the training. These estimates are based on two or three people attending training. We will have no obligation to provide initial training at our expense except for your first franchise. Additional training is outlined in Item 11, below.

7. Initial Marketing Activities. We recommend that you approach potential referral sources such as naturopaths, naturopathic trade shows, etc.

8. Initial Start-Up Phase and Working Capital. We estimate that the initial phase covered by the additional funds estimate to be approximately three months. Additional funds are provided only as estimates and apply only to your initial three months of operations of your first Franchise. The high and low range estimates are based on our affiliate's experience in opening and operating one or more similar businesses. This is only an estimate and we cannot guarantee that the amounts specified will be adequate.

9. Refunds and Financing. Fees you pay to us or our affiliates are non-refundable (except as otherwise provided in Item 5, if applicable). Fees you pay to third parties may or may not be refundable depending upon the agreements you have with them. We do not finance any of these initial expenses.

Financing sources may reduce your initial cash requirements, and the availability and terms of financing to any individual franchisee will depend upon factors like the availability of financing in general, your credit worthiness, the collateral security that you may have and policies of lending institutions concerning the type of business to be operated by you.

YOUR ESTIMATED INITIAL INVESTMENT

(Multiple Franchise Purchase Addendum)

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW (1)	HIGH (2)			
Initial Franchise Fee for Multiple Franchise Purchaser (3)	$75,000	$380,000	Cash	As disclosed in first table above	Us
Other Expenditures for First Location (5)	$64,574	$358,450	As disclosed in first table above	As disclosed in first table above	As disclosed in first table above
Grand Total	**$139,574**	**$738,450**			

1) The low-end of this estimate is based on purchasing the right to develop two franchises without disaster restoration and niche industrial services.

2) The high-end of this estimate is based on purchasing the right to develop four franchises with all eight disaster restoration and niche industrial services offerings.

3) If you purchase multiple Franchises simultaneously, then the Initial Franchise Fee for the first Franchise is $40,000, and the Initial Franchise Fee for each additional Franchise is reduced to $35,000. You may add one or more of eight disaster restoration and niche industrial services and related rebuild services for an additional Initial Franchise fee of $5,000 for each.

4) If you sign Multiple Franchise Purchase Addenda for the right to develop multiple franchises, you should expect to incur these same expenses and fees for each separate franchise you develop, subject to inflation and other increases over time.

Item 8
Restrictions on Sources of Products and Services

Products, Equipment, and Services

We may amend the Operations Manual, including changes that may affect minimum requirements for your franchise operations. You will strictly follow the requirements of the Operations Manual as we amend it. You will carry out immediately all changes at your cost, unless we otherwise specify.

You must purchase certain items and services needed for the operation of your franchise either from us, our affiliates, one or more exclusively designated suppliers, our approved suppliers, or subject to our standards and specifications as we will designate. The following specific requirements are in place as of the issuance date of this disclosure document and are subject to change.

You must purchase your anti-microbial and microbial shield products from us or our affiliate (if available from us or our affiliate). If such products are available from us or our affiliate, then we will be the only

approved supplier(s) of such products. Otherwise, you must purchase such products from our exclusively designated supplier(s). ~~You must purchase the~~ We and/or our affiliate are the only approved supplier(s) of your dry ice blaster and laser ablator ~~from us or our affiliate~~.

We may require you to purchase reasonable minimum quantities of products from us or our mandated suppliers for the operation of your franchise.

We and our affiliate may ~~require you to purchase~~be the only approved supplier(s) of certain advertising materials and ~~all~~certain other items that bear our Marks ~~from us or our approved suppliers~~.

You must purchase and use a subscription to QuickBooks Online software for accounting and payroll. You must purchase and use a subscription to Contractor Foreman software for business management (e.g. customer relationship management, project management, customer communications, and scheduling).

You must have or purchase computers for relevant staff members. The computers must be able to run the required software and must comply with our minimum standards. You must have or purchase a printer, scanner, telephone, and high-speed internet, all of which must comply with our minimum standards and specifications.

You must purchase the following categories of items and/or services from our exclusively designated suppliers: duct tape, vacuum, and nano particulate air filter.

You must purchase the following categories of items and/or services from our lists of approved suppliers or subject to our prior approval of the supplier: vehicle wrap, painter's tape, AFD (Air Filtration Device) filters, respirators, respirator filters, remediation suits, booties, plastic polyethylene sheeting, carpet mask, debris bags, and mold remover and mold shield products.

You must purchase the following categories of items and/or services in compliance with our minimum standards and specifications (which may include a list of approved brands) as may be outlined in our Operations Manual: truck and trailer (both subject to our prior approval and must comply with our minimum standards and specifications for color, condition, style, etc.), demolition tools, moisture meter, general hand tools and supplies, drywall cutoff tool, dehumidifiers, fans, ladders, and other equipment and supplies.

The actual amount purchased may vary. The amount that you pay to any approved supplier is refundable only to the extent negotiated with such approved supplier.

All specifications that we require of you and lists of equipment and designated and approved suppliers will be included in the Operations Manual. We will upon request provide our minimum specifications to approved suppliers and suppliers seeking approval. We will use our best judgment to set and modify specifications to maintain the integrity and quality of our franchise system.

Our principal officer, Matthew Ballou, owns us and our affiliate, BLACK BUCK ENTERPRISES LLC. There are no other approved suppliers in which any of our officers owns an interest.

Subject to our right to designate one or more exclusive suppliers, with advance written notice, you may request our approval to obtain products, equipment, supplies, materials, or services from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples, and other data to allow us to determine whether the items from these other sources meet our specifications and standards, as established from time to time. These specifications and standards will relate to factors such as the following (to the extent applicable): quality, durability, value, cleanliness,

texture, composition, strength, finish and appearance, and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing before approval and use. You will reimburse us for the actual cost of the tests. We will license any supplier that can meet or exceed our quality control requirements and standards, for a reasonable license fee, to produce and deliver products to you but to no other person. Our confidential requirements, designs, systems and formulas will be revealed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently follow our standards, requirements and testing procedures; will maintain the confidentiality of the designs, systems and formulas; and will adequately supply your reasonable needs. We will not unreasonably withhold approval of a supplier you propose (unless we designate an exclusive supplier for the particular product or service). We will endeavor in good faith to notify you in writing of the approval or disapproval of any supplier you propose within 30 days of our receipt from you of your written notice of request for approval.

We or our agents may inspect any approved manufacturer, supplier or distributor facilities and products to ensure proper production, processing, packaging, storing, and transportation. Permission for inspection will be a condition of our continued approval of any manufacturer, supplier or distributor. If we find from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, with a notice that unless the failure or deficiency is corrected within 30 days, the manufacturer, supplier or distributor will no longer be approved.

We estimate that your purchases from us, our affiliates, exclusive suppliers, approved suppliers, or subject to our specifications and standards will be from 65% to 85% of the total purchases you make to *establish* your franchise.

We estimate that your purchases from us, our affiliates, exclusive suppliers, approved suppliers, or subject to our specifications and standards will be from 75% to 85% of the total purchases you make to *operate* your franchise.

We and our affiliate may derive revenue from providing products and services directly to our franchisees. During our last fiscal year, we received such revenue in the amount of $0 (which was 0% of our total revenue).

We and our affiliate may receive rebates, price adjustments, or discounts on products or services based on franchisees' purchases from our recommended or approved suppliers. As of the issuance date of this disclosure document, we do not receive any of these.

There are no other obligations for you to purchase or lease according to specifications or from approved suppliers. Except as explained above, we have no required specifications, designated suppliers or approved suppliers for goods, services, or real estate related to your franchise business. Except as explained above, we will not derive revenue from your purchases or leases.

We do not provide material benefits to you based on your purchase of particular products or services or the use of designated or approved suppliers. However, to renew your franchise or purchase additional franchises, you must comply with your Franchise Agreement, which includes compliance with any standards or specifications in our Operations Manual regarding product and service purchases and the use of designated or approved suppliers.

We intend to negotiate purchase arrangements with suppliers, including price terms, for the benefit of our

franchisees. We have not yet entered into any formal purchasing or distribution cooperatives related to our franchise system, but we reserve the right to do so. In the future, we hope to create and augment the effectiveness of cooperatives for the purchase of materials and the provision of advertising, for the benefit of the Biodynamic franchise system.

You may not sell any products, services or activities other than those specifically recognized and approved by us as part of our franchise system without our prior written approval.

You are required to follow our customer service and warranty requirements outlined in the Operations Manual.

Insurance

1. You must, at your own cost and expense, acquire and maintain at all times while you are a franchisee, with carriers satisfactory to us, sufficient insurance to adequately protect the respective interests of the parties, including your indemnity obligations under the Franchise Agreement. Specifically during the term of the Franchise Agreement, you must maintain in force policies of insurance with the following minimum limits of coverage for each Franchise:

A. Broad form commercial general liability coverage, on an occurrence form (including premises and operations, products and completed operations, personal & advertising injury, broad form contractual, employers liability, and products liability), against claims for bodily injury, personal injury, including death, and property damage with minimum limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate for each coverage;
B. Worker's compensation and employer's liability insurance in statutory amounts;
C. Unemployment insurance and state disability as required by governing laws;
D. Employment practices liability insurance with minimum limits of not less than $1,000,000 per occurrence/aggregate including third party endorsement;
E. Business automobile liability, including bodily injury and property damage coverage for all owned, non-owned and hired vehicles, with limits of not less than $1,000,000 for injuries to persons resulting from any one accident, and $500,000 for property damage resulting from any one accident;
F. All risk property insurance including equipment breakdown for the full replacement cost sufficient to cover all business personal property including contents, leasehold improvements, furniture, fixtures, equipment, and signs;
G. If you achieve $1,000,000 in Gross Revenue during a calendar year, then from that point forward you must maintain the following insurance (even if you drop below $1,000,000 in annual revenue in future years): Loss of income including extra expense insurance with sufficient limits to cover all ongoing expenses, including, future profits, royalty fees, advertising contributions, ordinary payroll for competent personnel and other fixed expenses for a minimum of 24 months from the date of loss;
H. You must carry commercial umbrella liability insurance with limits not less than $5,000,000 each occurrence. The umbrella liability will be on a following form basis of the underlying policies (commercial general liability, premises and operations, products and completed operations, personal and advertising injury, automobile and employers liability);
I. Blanket employee dishonesty coverage with minimum limits of not less than $50,000;
J. If you achieve $1,000,000 in Gross Revenue during a calendar year, then from that point forward you must maintain the following insurance (even if you drop below $1,000,000 in

annual revenue in future years): Cyber and privacy liability with minimum limits of $1,000,000, including crisis management and data extortion expense;

K. Professional (Errors and Omissions) Liability insurance covering Franchisee's legal liability for damages arising out of Franchisee's performance of the services with a minimum insurance coverage amount of $1,000,000 per claim and $2,000,000 in the aggregate.

2. You must also maintain such additional insurance as is necessary to comply with all legal requirements concerning insurance as well as any other insurance required by your landlord. We may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time (upon 60 days' advance notice), including higher liability limits, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

3. Each insurance policy shall: (1) name franchisor and each of its affiliates, owners, directors, officers, agents, and employees (as we may specify to you) as additional insureds (except for worker's compensation, employer's liability insurance, employment practices liability insurance, and other employer-related insurance coverage) on a primary, non-contributory basis and provide a waiver of subrogation rights against us; (2) provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of the policy; and (3) provide that coverage applies separately to each insured. In the case of property insurance, the franchisor parties must be named as their interests may appear. Insurance carriers must be authorized to do business in the state where your Franchise Premises is located, be rated at least A-X with A.M. Best and approved by us. At our discretion, we may require you to purchase your insurance from a specific insurance carrier. Upon request, you must provide us with proof of insurance in compliance with the Franchise Agreement.

4. You must give us notice of any insurance claim (with such information as we may require) within 10 days of your receipt of a claim.

5. We may require you to ensure that your subcontractors name the franchisor as an additional insured on their insurance policies.

Item 9
Franchisee's Obligations

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other related 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 Franchise Agreement ("FA")	Disclosure Document Item
a. Site selection and acquisition or lease	FA Section 1.1, 1.2 & 1.3	Items 6 & 12
b. Pre-opening purchases and leases	FA Sections 4.1, 5.1 & 8.2	Items 7 & 8
c. Site development and other pre-opening requirements	FA Sections 1.4, 3.1, 4.1 & 5.1	Items 7, 8 & 12

Obligation	Section in Franchise Agreement ("FA")	Disclosure Document Item
d. Initial and ongoing training	FA Sections 3.1 & 3.2	Items 6 & 11
e. Opening	FA Sections 4.1 and 5.1	Item 11
f. Fees	FA Sections 2, 6.1, & 7.1	Items 5, 6 & 17
g. Compliance with standards & policies/Operations Manual	FA Sections 5 & 6.3	Items 11 & 17
h. Trademarks and proprietary information	FA Sections 1.1, 5.1, 5.3, 5.4, 5.5, 5.7, 6.5, 9.2 & 9.8	Items 13, 14 & 17
i. Restrictions on products and services offered	FA Sections 1.1, 1.2, 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 6.3 & 6.5	Items 8, 12, 13, 16 & 17
j. Warranty and customer service requirements	FA Sections 5.1, 5.2, 5.5 & 5.12	Item 11
k. Territorial development and sales quotas	FA Sections 1.1	Items 7 & 12
l. Ongoing product & service purchases	FA Sections 2.5, 2.11, 5.1, 5.2, 5.5, 5.9, 5.12 & 8.2	Items 7 & 8
m. Maintenance, appearance and remodeling requirements	FA Sections 1.4, 5.1, 5.2, 5.5 & 6.5	Items 7, 11 & 17
n. Insurance	FA Section 8.2	Items 7 & 8
o. Advertising	FA Sections 2.4, 2.5, 5.1, 5.2, 5.3, 5.4, 5.5 & 6.5	Items 9 & 11
p. Indemnification	FA Sections 6.5.4, 6.7, 7.1.6, 8.1, 9.3.3.E & FDD Exhibit I (Personal Guaranty) Section 1	Item 6
q. Owner's participation/ management/ staffing	FA Sections 2.11, 3, 4.1, 5, 6.5, 6.6, 7, 9.3, 9.9, 9.11 & 9.14	Items 11, 15 & 17
r. Records and reports	FA Sections 2.9, 5.1, 5.2 & 5.5	Items 6, 11 & 17
s. Inspections and audits	FA Sections 2.10, 5.1, 5.2 & 5.5	Items 6, 11 & 17
t. Transfer	FA Section 7	Item 17
u. Renewal	FA Section 6.1	Item 17
v. Post-termination obligations	FA Sections 5.6, 5.13, 6.5, 6.6, 6.7 & 9.8	Item 17
w. Non-competition covenants	FA Sections 5.7, 6.5, 6.6, 6.8 & 9.8	Item 17
x. Dispute resolution	FA Sections 9.9	Item 17
y. Other: Personal Guaranty	FA Section 9.15 and FDD Exhibit I	Item 15

Item 10
Financing

Except as described below in this Item, we do not provide direct or indirect financing and do not assist in providing financing for you. We do not guarantee any notes or financial obligations. We may offer financing for your Initial Franchise Fee as described below.

Summary of Financing Offering:

Source of Financing	Down Payment	Amount Financed	Term (Months)	Interest Rate	Monthly Payment
Franchisor or affiliate	33% of the Initial Franchise Fee	Up to 67% of the Initial Franchise Fee	12 months	8% per annum	Substantially equal monthly installments of principal and interest until paid in full

There is no prepayment penalty. There are no finance charges beyond the interest rate described above. These obligations will be represented by a promissory note ("Note") in the form attached as an Exhibit to the Franchise Agreement. As security for your obligations under the Note, you will grant to us (or our affiliate) a security interest in all tangible and intangible assets of the Franchise (and products**,** proceeds**,** and profits of them) as provided in Section 9.19 of the Franchise Agreement. Your owners must personally guaranty the debt by signing a personal guaranty substantially in the form attached to this disclosure document as Exhibit I.

A late charge will be added to any sums to be paid under the Note that remain unpaid after the date due. The late charge will equal 18% per annum. In addition, late payments will be subject to a late payment administration fee of 5% of the amount due. These late charges and late payment administration fees will not exceed any limits placed upon such charges and fees by applicable laws.

In addition to the late charges and late payment administration fees described above, if any payment is not made when due, then we (or our affiliate) may provide written notice of our intent to call due the entire indebtedness. If you do not pay the past due payment within 10 calendar days of receipt of this written notice (or if you receive two or more such notices during the term of the Note, even if payments are made pursuant to the notices), then at our (or our affiliate's) option, the entire indebtedness represented by the Note will become immediately due and payable.

You must pay upon demand any and all expenses, including reasonable attorneys' fees, incurred or paid by us (or our affiliate) without suit or action in attempting to collect funds due under the Note.

If you default and fail to cure as required under the Note, such default will constitute a material default under your Franchise Agreement giving us the right to immediately terminate your Franchise Agreement upon written notice. Any default under your Franchise Agreement will also constitute a default under your Note. If we have the right to terminate your Franchise Agreement, then we will also have the right to call due the entire balance under the Note plus late charges and late payment administration fees and other default remedies provided under the Note.

You may not sell or otherwise convey any of the assets that serve as collateral for your obligations under the Note without our (or our affiliate's) written consent, which we (or our affiliate) may withhold at our discretion.

The Note requires you to waive defenses and other legal rights, including presentment for payment, notice of dishonor, protest, notice of protest, and diligence in collection.

We (or our affiliate) do not intend to sell, assign, or discount to a third party all or any part of the financing arrangement.

Item 11
Franchisor's Assistance, Advertising, Computer Systems, and Training

Except as listed below, BLACK BUCK FRANCHISING, LLC is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your franchise, we will:

1) Approve or disapprove of proposed sites for the Franchise Premises and the lease for the Franchise Premises, if any. (Franchise Agreement, Section 1.3) Your Franchise Premises must have an office and a warehouse. The other factors we may consider in approving proposed site selections include the following: general location, lease terms, and adequate square footage for your business needs. Neither we nor any of our employees have special expertise in selecting sites; we make no representations that your Franchise will be profitable or successful by being located at the approved Franchise Premises. Any acceptance is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience. We do not generally own the Franchise Premises and lease it to you.
2) Designate your Franchise Territory. (Franchise Agreement, Section 1.1) We will designate the boundaries of your Franchise Territory based on factors we deem appropriate, which may include the location of your Franchise Premises; regional population (including density and demographics); competition in the area; geography; our market analysis, market penetration plans, and franchise placement strategies; and other factors we deem appropriate.
3) Provide initial orientation and training to you and your designated manager(s). (Franchise Agreement, Section 3.1)
4) Loan you a copy of the confidential Operations Manual. (Franchise Agreement, Section 5.1).
5) Provide written standards and specifications regarding your equipment, supplies, and products (as applicable). (Franchise Agreement, Section 5.1)
6) Give you a list of approved or designated suppliers. (Franchise Agreement, Section 5.1)

We do not provide assistance with conforming your premises to local ordinances and building codes and obtaining any required permits, or constructing, remodeling, or decorating the premises, or hiring and training employees.

Time to Open

The typical length of time between the signing of the Franchise Agreement or first payment of consideration for the Franchise and the opening of the Franchise for business is about 90 to 120 days. You must complete the mandatory training program and commence business operations within six months after you sign the Franchise Agreement. (Franchise Agreement, Section 4.1) Factors that may affect this time are finding and negotiating for the Franchise Premises, arranging for the training session, financing and business permit requirements, obtaining initial equipment, supplies, and vehicle(s), and your personal operational needs. Any failure caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control will be excused for a time that is reasonable under the circumstances. If you and we cannot agree on a site, then we will have the right to terminate the Franchise Agreement without refunding the Initial Franchise Fee.

Operations Manual Table of Contents

The Operations Manual is confidential and remains our property. It contains mandatory and suggested specifications, standards and procedures. We may modify the Operations Manual, but the modifications will not alter your basic status and rights under the Franchise Agreement. The revisions may include advancements and developments in services, supplies, equipment, sales, marketing, operational techniques, and other items and procedures used for the operation of the franchise. (Franchise Agreement, Section 5) The table of contents of the current version of the Operations Manual and the number of pages in each section is included in Exhibit L.

Initial Training Program

Initial Training at Our Headquarters. Before you commence your Franchise operations, we will provide you a mandatory initial training program that lasts approximately one week at our headquarters (currently in Vancouver, Washington). We reserve the right to provide some or all of the training via webcast or other technology.

You must attend and successfully complete the initial training program. Your field manager and office manager must also attend and complete the initial training program. You may be the field and office manager, or you may hire one or more other individuals to fill these roles. Transportation, meals, lodging, and wage expenses for any of your personnel during this period will be borne by you. (Franchise Agreement, Section 3.1).

Initial Training and Support in Your Territory. We will provide the services of a trainer in your Territory in connection with your first small particulate cleanup (SPC) customer project. This initial training in your Territory includes only a single visit to your Territory. We anticipate that our trainer will provide training and support for the following three phases of your first SPC project: (1) contents removal; (2) demolition; and (3) structural cleaning. We anticipate that our trainer will spend approximately one to three days in your Territory in connection with each of the three phases, for a total of about one to two weeks. (Franchise Agreement, Section 3.1)

The initial training programs are included in the Initial Franchise Fee.

The subjects covered during initial training and the duration of training are subject to change. The following table outlines our initial training programs as of the issuance date of this disclosure document.

INITIAL TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Introduction to Biodynamic and Overview	3		Our Headquarters (currently in Vancouver, Washington)
BioRemediation / Remediation	9	4.5	
Safety / Questions and Answers	1.5	1.5	

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Business Miscellaneous	4.5		
Administrative / Office	7		
(1) contents removal; (2) demolition; and (3) structural cleaning		1-2 weeks	In your Territory

Our key trainers are Matthew Ballou, ~~Aimee Oldenburg,~~ Ty Johnson, Jarrett Johnson, ~~and~~ Robert Rohder, Scott O'Haver, and Andrea Stenberg. The experience of our trainers is described below.

Matthew Ballou has served as our Member-Manager since 2023. His field experience in the subjects he teaches at training dates back to at least 2010 for mold remediation and 2016 for SPC services.

~~Aimee Oldenburg has served as our Director of Operations since 2023. Her field experience in the subjects she teaches at training dates back to at least 2013.~~

Ty Johnson has served as our General Manager since 2023. His field experience in the subjects he teaches at training dates back to at least 2016.

Jarrett Johnson has been one of our trainers since 2023. His field experience in the subjects he teaches at training dates back to at least 2021.

Robert Rohder has been one of our trainers since 2023. His field experience in the subjects he teaches at training dates back to at least 2021.

Scott O'Haver has been our Director of Mitigation Services since August 2024. His field experience in the subject he teaches at training dates back to at least 2017.

Andrew Stenberg has been our Director of Contents and Cleaning Services since August 2024. Her field experience in the subject she teaches at training dates back to at least 2013.

We anticipate that each trainer will have at least approximately three years of field experience in the subject(s) she/he teaches at training. We use the Operations Manual for instructional material.

We offer our initial training program at such frequency as needed based on the number of franchisees requesting training in a particular timeframe and our training personnel's availability. The portion of the initial training program that takes place at our headquarters must be completed at least four weeks before the scheduled date of the opening of the franchise but in any event within 60 days after signing the Franchise Agreement.

You must complete the initial mandatory training program to our satisfaction or we may terminate the Franchise Agreement. You are encouraged to participate in the training session as soon as possible after executing the Franchise Agreement and before incurring any costs or expenses related to the opening of the

Franchise. We will not be liable for your costs or expenses if we terminate the Franchise Agreement because you fail to complete the mandatory training to our satisfaction.

If you desire to have more than three individuals receive initial training, these additional individuals will be accommodated at our convenience. We reserve the right to charge a reasonable fee for the provision of the training for these additional individuals.

We may at any time during initial training inform you that an individual attending training on your behalf is not suitable due to criminal activities, disruptive behavior or other reasons. Upon that notice, our obligations to train that individual will be deemed to have been discharged.

Optional Administrative Services

We may make available to you optional administrative services to assist with the operation of your franchise. These services may include preparing estimates, invoicing customers, and other administrative services. We anticipate that these services would be provided during an initial phase of your business (to be determined) and not long term. You will pay us our then-current fees for such services, which may be based on hourly rates, daily rates, or other calculations.

Notwithstanding the foregoing, for bioremediation projects, we will provide certain administrative services remotely (e.g. via Zoom) at no additional cost to you for the first 10 estimates or the first 5 awarded projects (whichever comes first). Currently, such administrative services include review of report from physician, industrial hygienist, or other referral source; preparation of estimates; consultation with potential customer about the estimate; scheduling; contracting and invoicing for the initial deposit invoice; miscellaneous project management as needed; reconciliation and final invoicing; and post-testing follow-up (if any). We reserve the right to add, remove, or otherwise modify these services. After providing these initial administrative services for bioremediation projects, we will provide additional optional administrative services upon your request at our then-current fees.

(Franchise Agreement, Section 2.13)

Additional Training

Requested by You. At your option and upon not less than 30 days' prior written notice to us, you may receive additional training at our headquarters or at other agreed upon locations. All expenses of this training will be borne by you, including your transportation, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then-current rates. The duration and timing of this training is negotiable depending upon your needs and our availability.

Required or Offered by Us. We may provide refresher training programs or seminars and may require that you or your managers attend and complete them to our satisfaction. These programs and seminars will be held at locations we designate. We may charge a reasonable training fee at our then-current rates. You will be responsible for your transportation, meals and lodging, and wages for your employees.

Additional Training Required by Franchisor Based on Franchisee's Deficiency. We may require you to participate in additional training if you breach the Franchise Agreement or fail to meet our standards and specifications in the opening or operation of your Franchise as we determine at our discretion. This training will typically be held at our headquarters or your location at our discretion. We will charge a reasonable training fee at our then-current rates. You will be responsible for your and our transportation, meals and lodging, and wages for your employees. (Franchise Agreement, Section 3.2)

New Manager Training. If your Franchise is managed by any persons other than you, you will notify us of these managers. Each manager you hire must complete the mandatory training program before assuming management duties. This training program will be conducted by us or by you in accordance with our specifications, at our discretion. You will bear all costs of the training, including a reasonable training fee at our then-current rates. (Franchise Agreement, Section 3.1)

(Franchise Agreement, Section 3.2)

Our Obligations During the Operation of Your Franchise Business

After you open your franchise, we will:

1) Provide additional training to you upon your request as described above. (Franchise Agreement, Section 3.2).
2) Administer our advertising program and formulate and conduct national and regional promotion programs. (Franchise Agreement, Section 2).
3) At our discretion, we may inspect the Franchise and conduct activities to ensure compliance with the terms of the Franchise Agreement and Operations Manual to ensure consistent quality and service throughout our franchise system. (Franchise Agreement, Sections 2.10 and 5).
4) At our discretion, we may inspect the facilities of your manufacturers, suppliers and distributors and notify you and the manufacturers, suppliers, and distributors in writing of any failure to meet our specifications and standards. (Franchise Agreement, Sections 2.10 and 5).
5) We may provide other supervision, assistance, or services although we are not bound by the Franchise Agreement or any related agreement to do so. These may include, among other things, advertising materials, literature, additional assistance in training, promotional materials, bulletins on new products or services, and new sales and marketing developments and techniques.

Advertising and Brand Development

We recommend that you approach potential referral sources such as naturopaths, naturopathic trade shows, etc.

You must pay to us 1% of your total Gross Revenue each month for the preceding month as a Brand Development Fee. We will administer the funds we receive for Brand Development Fees. We will direct all regional and national advertising programs with sole discretion over the creative ideas, materials, endorsements, placement and allocation of overhead expenses. We may use Brand Development Fees to develop our brand through any medium we choose, such as print, online, other technologies, and public relations. We may use Brand Development Fees for website updates and maintenance, marketing, advertising, social media maintenance and marketing fees, development of new technologies, maintenance of technologies, business development, and other expenses we deem reasonable at our sole discretion for administration of the franchise system and development of the brand. We may use the Brand Development Fees to maintain, administer, direct, prepare, and review national, regional, or local brand development activities and programs as we deem proper at our sole discretion.

For brand development, we may use an in-house advertising department or outside regional or national advertising agencies. We may provide to you advertising materials and point of sales aids for you to use in your local advertising and promotional efforts.

We will not be required to spend any amount on advertising in your territory. We are under no obligation to administer the use of Brand Development Fees to ensure that expenditures are proportionate to contributions of franchisees for any given market area or that any franchise benefits directly or proportionately from brand development activities.

We may spend in any fiscal year an amount greater or less than the aggregate Brand Development Fees collected from all franchisees in that year, and we may apply contributions to past expenditures and carry over any surplus or deficit to future years.

Our expenditures of Brand Development Fees we collect are not audited. Upon reasonable request, we will make an accounting of the Brand Development Fees available to you within 120 days after our next fiscal year end.

(Franchise Agreement, Section 2.6)

While advertising materials may note that franchises are available from us, no Brand Development Fees are used for advertising that is principally a solicitation for the sale of franchises.

Franchisees who sign franchise agreements at different times may have different or no Brand Development Fee requirements. Franchisor-owned outlets may or may not be required to contribute to the brand development fund and if required such contributions may or may not be on the same basis as franchisees.

We may create an advertising or advisory council made up of franchisees selected by us or by vote of franchisees as we determine. We will have the power to form, change, or dissolve the advertising or advisory council. The council will serve in an advisory capacity only. You must comply with our standards and specifications with respect to communicating with us and the advisory council about your operational issues and questions, etc.

Summary of Brand Development Fee Contributions and Expenses for Fiscal Year Ended June 30, 2024			
		Dollar Amount	Percentage
Expenses:	Administrative Expenses	$0	0%
	Production	$0	0%
	Media Placement	$0	0%
Total Expenses:		$0	100%
Brand development fund Contributions:		$0	
Excess of Expenses Over Contributions:		$0	

Advertising Approval / Webpage / Social Media

Promotional Materials and Local Advertising. We may provide to you an advertising packet with advertising templates we approve for you to use in your local advertising and promotional efforts.

Otherwise, you will submit to us all advertising copy and other advertising and promotional materials before you use them in your local advertising program. You will not use any advertising copy or other promotional material until we approve it.

We have established and will maintain a website to advertise and promote our brand. We will provide you with a webpage within our website or a separate website that ties to our websites. You must give us the information and materials we request to develop, update, maintain and modify the listing. You will not have the right to create an independent website that includes our Marks or promotes your franchise.

Your use of social media and other online mediums using our brand or promoting your franchise must be in strict compliance with our standards as outlined in our Operations Manual. We reserve the right to require you to get our prior approval of proposed venues and content for social media and other online mediums. We reserve the right to restrict or completely prohibit your use of social media and other online mediums using our brand or promoting your franchise. (Franchise Agreement, Section 2.5)

Regional Advertising Cooperatives

As of the issuance date of this disclosure document, we have not established any regional advertising cooperatives for our franchisees. However, we have the power to require cooperatives to be formed, changed, dissolved, or merged. If we decide to form regional advertising cooperatives, then we will determine how the area and membership of such cooperatives will be defined. We may designate local, regional or national advertising coverage areas to develop cooperative local or regional advertising and promotional programs. We will promptly notify you and our other franchisees, of the establishment, modification and geographical boundaries of regional advertising regions. We may require all franchisees located within each geographic region to meet periodically for the purpose of creating and establishing regional advertising programs. For the purpose of this section, each operation we own will be deemed to be a franchise.

If at any meeting of the franchisees in an advertising region, 75% of the franchisees vote to contribute to a regional advertising program, all franchisees within that region will be obligated to make a contribution to a regional advertising fund in the amount established by the vote (the "Regional Advertising Fund"). Franchisor-owned and affiliate-owned outlets may choose to participate in regional advertising cooperatives. If they do participate, then they will each be entitled to one vote and will be required to contribute on the same basis as franchisees. No advertising region may require any franchisee in that region to make a contribution to a Regional Advertising Fund in excess of 2% of that franchisee's Gross Revenue. "Advertising coverage area" is defined as the area covered by a particular advertising medium (television, radio, or other medium) as recognized in the industry. At the time a cooperative local or regional advertising or promotional program is developed, we will provide to you a list of all open Biodynamic franchises within your advertising coverage area.

We will administer each Regional Advertising Fund in the same manner and upon the same terms and conditions as the Brand Development Fee outlined in this Item 11. (Franchise Agreement, Section 2.5). There are no other written governing documents that govern any cooperative advertising program. No Regional Advertising Fund will be audited.

Your contributions must be paid to the cooperative administrator we designate, when and in the same manner as the Royalty Fee and Brand Development Fee payments are paid to us. (Franchise Agreement, Section 2.5)

Computer Systems

You must lease, purchase or otherwise acquire, from sources of your choice (or from designated or approved suppliers, as we determine) and at your expense, computer hardware and software that strictly conform to our specifications. As of the issuance date of this disclosure document, required software subscriptions include QuickBooks Online for accounting and payroll and Contractor Foreman software for business management (e.g. customer relationship management, project management, customer communications, and scheduling).

You must have or purchase computers for relevant staff members. The computers must be able to run the required software and must comply with our minimum standards. You must have or purchase a printer, scanner, telephone, and high-speed internet, all of which must comply with our minimum standards and specifications.

We will give you at least 30 days' written notice, describing the hardware, software, and upgrading requirements of the system before you are obligated to initially purchase the computer systems. If you do not already have the computer systems that we require before you purchase a franchise, the estimated cost of purchasing the computer systems that we require is approximately $350 to $4,000. As of the issuance date of this disclosure document, the required software subscriptions cost approximately $234 to $300 per month.

You must record and transmit all financial information using our designated systems. We may, at our discretion, change standards for reporting to provide effective technology for the entire system. We will have full and direct access to your computer systems (and related information) whether in person or by remote access. There will be no contractual limitation on our right to access your information or data.

Neither we nor our affiliates will have any obligation to provide any ongoing maintenance, repairs, upgrades or updates related to your computer software and hardware. However, you must upgrade or update your computer hardware and software as we may direct during the term of the franchise agreement. There are no contractual limitations on the frequency and cost of this obligation. We estimate that these updates or upgrades will cost approximately $0 to $2,000 per year.

(Franchise Agreement, Section 5.9)

Item 12
Territory

Franchise Premises and Protected Territory

You will be given a specific territory for your Franchise (the "**Franchise Territory**" or "**Territory**"). We do not grant any minimum Territory size. Franchise territories may vary in size and dimensions. We will designate the boundaries of your Franchise Territory based on factors we deem appropriate, which may include the location of your Franchise Premises; regional population (including density and demographics); competition in the area; geography; our market analysis, market penetration plans, and franchise placement strategies; the services you offer as designated in your franchise agreement; and other factors we deem appropriate. The Franchise Territory will be identified using geographical or political boundaries.

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

However, we will not establish or allow others to establish a Biodynamic business offering the specific

category(ies) of services you are authorized to provide pursuant to your franchise agreement using our Marks and System with a territory that overlaps your Franchise Territory, except as provided in the paragraphs under the heading "Our Rights" below. To clarify, we will have the right to establish or allow others to establish a Biodynamic business offering other service categories in your Territory. Therefore, your Territory will be *protected* but not *exclusive*. This territorial protection is subject to your full compliance with the Franchise Agreement.

If you have not selected and we have not approved of the site of your Franchise Premises when you sign the Franchise Agreement, then you will search for a Franchise Premises within your Territory. The Franchise Premises will consist of an office and warehouse.

You may not establish or operate any additional Biodynamic office(s) without our prior written approval.

Relocation

You will not relocate the Franchise Premises without our prior written approval. Any relocation will be at your sole expense. Relocation will be subject to the following conditions:

A. You are not in breach of the Franchise Agreement;
B. You evidence to our satisfaction your ability to obtain and commence operations at the new location within a time we deem reasonable after you vacate the original location;
C. You develop, furnish, and equip, at your sole expense, the new location according to our then-current specifications and standards;
D. You pay all reasonable out-of-pocket expenses we incur because of the relocation;
E. You sign a general release of claims against us; and
F. You satisfy our then-current franchise placement and demographics criteria.

No Right of First Refusal

You do not receive any options, rights of first refusal, or any other similar rights to acquire additional franchises or to grant subfranchises.

Marketing and Providing Services

You must following our standards and directives with respect to (1) customers you originate for projects to be performed outside your Territory and within another franchisee's territory, and (2) customers originated by another franchisee in our franchise system for work to be performed in your Territory. For example, we may require the originating franchisee to refer the customer to the franchisee in whose territory the work is to be performed in exchange for a referral fee. Or, we may require the originating franchisee to service the customer in the other franchisee's territory by subcontracting the work to the other franchisee.

You may not use alternative distribution channels to make sales outside or inside your Franchise Territory, except as otherwise allowed by us in the Operations Manual.

Except with our prior written permission, you shall not place advertisements using our Marks in or originating from any area other than the Franchise Territory. You may not advertise in any media with primary circulation outside the Franchise Territory, except with our prior written consent and the prior written consent of any of our franchisees whose territory is reached by that media. This includes, but is not limited to, search engine marketing (e.g. pay-per-click advertising) or other direct marketing.

You may offer and sell services outside of your Territory as long as you do not do so within the territory of another franchisee or company-owned outlet. Indeed, we strongly recommend that you accept all opportunities to service customers outside of your Territory (and outside the territories of our franchisees and company-owned outlets) as long as you are legally authorized to do so.

Any presence on the internet promoting your Franchise or using our Marks (including but not limited to social media) is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, is subject to our prior approval, and must comply with our minimum standards and specifications. You may not acquire an independent internet domain name or website.

Renewal

Upon renewal of the Franchise, we may modify the Franchise Territory to meet our then-current franchise market penetration and demographic standards, or to account for population changes, or based on other factors we, as franchisor, deem reasonable.

Development Area for Multiple Franchise Purchases

If you sign the Multiple Franchise Purchase Addendum to purchase multiple Franchises simultaneously, then we will designate a Development Area in which you will open your Franchises.

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

However, we will not establish or allow others to establish a Biodynamic business physically located within your Development Area using our Marks and System so long as the Franchise Agreements and corresponding Multiple Franchise Purchase Addenda are in force and you are not in default in any material provision of such agreement, and except as provided in the paragraphs under the heading "Our Rights" below. Therefore, your Development Area will be *protected* but not *exclusive*. Thereafter, we and our affiliates will have the right to operate or grant to others the right to operate outlets within your former Development Area. However, your Franchise Territory (defined above) for each of your operating Franchises will remain in force.

Regional and National Accounts

We reserve the exclusive right to service regional and national accounts and to assign them to franchisees at our discretion. What constitutes a "regional account" or "national account" will be at our sole reasonable discretion. We may designate revenue sharing between us and the franchisee(s) that service(s) the account.

Catastrophe Loss Response

Notwithstanding any contrary language in this Item 12, we reserve the right to designate any area as a catastrophe at our sole discretion ("Catastrophe Area"). Examples include areas impacted by wild fires, floods, hurricanes, or other weather-related catastrophes. We will have the sole discretion to determine policies and procedures for handling such catastrophes, including with respect to giving franchisees within and outside the Catastrophe Area the opportunity to provide labor and/or equipment in the Catastrophe Area, conditions for participation, sharing of revenue among participating franchisees and the franchisor, payment terms, any referral fees payable to the franchisee(s) with a Territory in the Catastrophe Area, providing accommodations for participating franchisees, etc.

Our Rights

We retain all rights not specifically granted to you in the Franchise Agreement. This includes our right to use or license the use of our Marks or any other marks to anyone, and for any purpose, and at any location (except that we will not place a Biodynamic location within your Franchise Territory). Neither we nor our affiliates are restricted from participating in other distribution methods under the Marks or under marks different from the ones you will use under the Franchise Agreement. We will have no obligation to compensate you for any such sales. For example, we may offer and sell present and future Biodynamic products online and in retail stores.

Except for the business operations of our affiliate, BLACK BUCK ENTERPRISES LLC (see Item 1), we have not established and do not presently intend to establish other franchises or company-owned outlets selling similar products or services under a different trademark.

We may purchase or be purchased by, or merge or combine with, competing businesses, wherever located.

Minimum Gross Revenue Requirements

You must comply with the following minimum Gross Revenue requirements:

Year of Business Operations	**Minimum Gross Revenue**
First year of business operations	No minimum Gross Revenue requirement
Second year of business operations	$200,000
Third year of business operations	$300,000
Fourth year of business operations	$400,000
Fifth year of business operations (and each year thereafter)	$500,000

This is not intended as a financial performance representation. If you do not achieve the minimum Gross Revenue requirement for any year, then we will have the right at our discretion to (2) terminate your protected Territory (so that we can establish or allow others to establish competing businesses within your former Territory), (2) change the configuration of your Territory (including reducing its size), or (3) terminate your Franchise Agreement effective immediately upon written notice.

Item 13
Trademarks

Registrations and/or Applications for Our Marks

Our affiliate, BLACK BUCK ENTERPRISES LLC, has ~~applied to register~~registered our principal Mark(s) on the Principal Register of the U.S. Patent and Trademark Office ("USPTO") as follows:

Mark Description	**International Classification**	**Registration Date**	**Registration Number**

BIODYNAMIC	Class 37 and Class 40	April 30, 2024	7376122

~~We do not have a federal registration for the above application(s). Therefore, our trademark does not have many legal benefits and rights as a federally registered mark. If your right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.~~

We have filed (or anticipate filing when due) all required affidavits in respect to registrations of our principal marks with the USPTO. We have filed (or anticipate filing when due) all required registration renewals in respect to such registrations.

~~Our Common Law Rights to the Marks~~

~~We and our affiliate company also claim common law rights to the "Biodynamic" names and all related marks, logos, designs, and slogans.~~

Your Use of the Marks

We will allow you to use these and all other trade names, trademarks, service marks, and logos we now own or may in the future develop for our franchise system. We refer to all of these commercial symbols as the "**Marks**." The Marks are our exclusive property.

You must follow our rules when you use the Marks. You may not use the Marks in any manner we have not authorized in writing. You may not use or give others permission to use the Marks, or any colorable imitation of them, combined with any other words or phrases. You cannot use our Marks as part of the name of your business entity or with modifying words, designs or symbols except as we authorize in writing. You may not use our Marks in connection with the sale of any unauthorized product or service. You cannot use any marks other than the Marks in connection with your Franchise.

All goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit, except as otherwise provided by applicable law. We (or our parent or an affiliate) will own all trademark improvements you develop (if applicable). The immediately preceding sentence does not affect provisions in the Franchise Agreement and our Operations Manual prohibiting you from altering the Marks and requiring you to use the Marks only in strict compliance with our standards and specifications.

Modifying the Marks

We may change or discontinue any part of the Marks at any time in our sole discretion. You will modify or discontinue use of any franchise names or Marks, or will use one or more substitute names or marks, if we so direct in writing at any time. You will bear all costs and expenses that may be reasonably necessary because of these changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution. All obligations or requirements imposed upon you relating to the Marks will apply with equal force to any modified or substituted names or marks.

Agreements Impacting the Marks

We signed a license agreement (the "License Agreement") with our affiliate dated November 1, 2023 for the license right to use, and to grant to our franchisees the right to use, the Marks in our franchise system. The License Agreement is for a perpetual duration and is not subject to termination by either party other

than by mutual agreement. We do not anticipate any issue with your use of the Marks because we and our affiliate have the same owner. Our affiliate anticipates assigning ownership of the Marks, including the mark identified above for which there is a pending application with the USPTO, once registration is granted.

With the exception of the License Agreement, there are no agreements currently in effect or contemplated which would significantly limit our right to use or license the use of the Marks listed in this Item 13 in a manner material to the franchise.

Legal Actions Involving the Marks

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any opposition or cancellation proceeding, or any pending litigation involving the Marks.

You will immediately notify us of any infringement of, or challenge to, your use of the Marks or any marks identical to or confusingly similar to the Marks, including any claims of infringement or unfair competition. While we anticipate making reasonable efforts to protect your rights to use the Marks, we will have sole discretion to take or not to take action, as we deem appropriate. We will not be required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks or if the proceeding is resolved unfavorably to you. If we undertake the defense or prosecution of any litigation or administrative action involving you or any litigation or administrative action involving the Marks, you agree to execute any and all documents and to do all acts and things that in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution. This may be done either in our name or in your name, as we will elect.

We know of no superior rights or infringing uses that could materially affect your use of the Marks. You should understand that there could be other businesses using trademarks, trade names, or other commercial symbols similar to our Marks with superior rights to our rights. Before starting your Franchise, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change your Franchise name.

Item 14
Patents, Copyrights, and Proprietary Information

We intend to affix a statutory notice of copyright to our Operations Manual, to certain of our advertising materials, training materials, websites, proprietary software, and to all modifications and additions to them. You are granted the right and are required to use the copyrighted items only with your operation of the franchise during the term of your Franchise Agreement. You have no other rights to the copyrighted material.

The Operations Manual is described in Item 11. Although we have not filed applications for copyright registration, all copyrighted materials are our property. You are only permitted to use our proprietary processes and systems in accordance with the Franchise Agreement and only as long as you are a franchisee. You must contact us immediately if you learn of any unauthorized use of our proprietary information. You must also agree to not contest our rights to, and interest in, our copyrights and other proprietary information.

We do not know of any prior rights or infringing uses that could materially affect your use of our copyrighted materials. You must notify us immediately after receiving notice of any claim, demand or cause of action pertaining to the copyrighted materials or on learning that any third party uses the copyrighted materials without authorization. After receipt of timely notice of an action, claim or demand against you

relating to the copyrighted materials, we have the right, but not the obligation, to defend or settle any such action. The Franchise Agreement does not obligate us to take affirmative action when notified of infringement. We have the right to contest or bring action against any third party regarding the third party's unauthorized use of any of the copyrighted materials. We have the right to control all actions but are not obligated to take any action. You may not make any demand against any alleged infringer, prosecute any claim or settle or compromise any claim by a third party without our prior written consent. In any defense or prosecution of any litigation relating to the copyrighted materials undertaken by us, you must cooperate with us, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of our counsel, to carry out such defense or prosecution.

We may change or discontinue any part of the copyrighted materials at any time at our sole discretion. You will modify or discontinue use of any copyrighted materials, or will use one or more substitute copyrighted materials, if we so direct in writing at any time. You will bear all costs and expenses that may be reasonably necessary because of these changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution. All obligations or requirements imposed upon you relating to the copyrighted materials will apply with equal force to any modified or substituted copyrighted materials.

We have no patents material to your franchise.

We claim or may claim proprietary rights to certain confidential information and trade secrets related to our business processes, product formulations, and supplier relationships that you will learn during training. We consider such processes and modifications to be our trade secrets. The Operations Manual contains valuable confidential and proprietary information.

You must use reasonable best efforts to continuously improve the products, processes and services used in the System and to develop new products, processes and services for use as part of the System. All the improvements, inventions and developments you make, develop or create for use in the System will be our property (or that of our parent or an affiliate) and we alone (or our parent or an affiliate) will hold any patent, copyright, or trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices, including but not limited to trade secret protections granted by state and federal laws.

Item 15
Obligation to Participate in the Actual Operation of the Franchise Business

We strongly recommend, but do not require, that you participate directly in the day-to-day operation of your Franchise. In any event, your Franchise must be under your general supervision as it is ultimately your responsibility to comply with the Franchise Agreement. You may designate a manager to assume responsibility for day-to-day operations. Any managers you employ to help you to operate the franchise must complete the mandatory training program described in Item 11 (which is to be conducted by us or by you in accordance with our specifications, at our discretion). The manager is not required to have any equity interest in your franchise business entity.

All of your owners must sign the Franchise Agreement directly or sign a Confidentiality and Non-Competition Agreement in the form attached as Exhibit J. To the full extent permitted by applicable law, your managers must sign confidentiality and non-competition agreements containing substantially the same protections as provided in relevant clauses in the Franchise Agreement. You are responsible for ensuring the adequacy and enforceability under local law of any sample form we provide in this regard.

All of your owners must sign the Franchise Agreement directly or sign a Personal Guaranty in the form attached as Exhibit I.

Item 16
Restrictions on What the Franchisee May Sell

We require that you offer and sell only those products and services that we approve in writing. You must offer all products and services that we designate as required by our franchisees. ~~All franchisees~~You will offer mold remediation and related rebuild services with a focus on small particulate cleanup (SPC). You may add one or more of the following disaster restoration and niche industrial services and related rebuild services for an additional franchise fee for each: (1) water damage restoration; (2) fire damage restoration; (3) dry ice blasting; (4) laser ablation; (5) contents restoration and storage; (6) bioremediation; (7) duct cleaning services; and (8) subscription cleaning services. In the future, we may offer the opportunity to add lead paint abatement and asbestos abatement services. We reserve the right to reasonably modify, delete, and add to the authorized products and services, and you must adopt such changes at your expense.

Only you and your employees will perform "mitigation" services for your customers. Generally speaking, mitigation services include SPC and traditional mold remediation, and subscription cleaning services. We may define this term more specifically in our Operations Manual. On the other hand, you may subcontract out "restoration" services for your customers. Generally speaking, restoration services include water mitigation, fire mitigation, dry ice blasting, laser ablation, contents cleaning and storage, bioremediation, and duct cleaning. We may define this term more specifically in our Operations Manual. If you subcontract out any restoration services to one or more Approved Subcontractors, you may exclude the amount(s) you pay those Approved Subcontractors from your Gross Revenue. Otherwise, all revenue will be included in your Gross Revenue.

Any presence on the internet promoting your Franchise or using our Marks (including but not limited to social media) is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, and must be coordinated through us and approved by us.

To the extent permitted by applicable law, we may establish minimum or maximum allowable prices on the products and services you offer and sell. Otherwise, the ultimate decision on the prices you charge is up to you.

Item 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 ("FA") or Other Agreement	Summary
a. Length of the franchise term	FA Section 1.1	10 years
b. Renewal or extension of term	FA Section 6.1	If you are in good standing, you may

Provision	Section in Franchise Agreement ("FA") or Other Agreement	Summary
		renew for periods of five years under the terms of our then-current Franchise Agreement forms that may have materially different terms and conditions than your original contract.
c. Requirements for franchisee to renew or extend	FA Section 6.1	"Renewal" means that you, upon the expiration of the original term of the Franchise Agreement, have the right to enter into a new agreement according to our then-current Franchise Agreement forms that may have materially different terms and conditions than your original contract. You must give notice at least three and not more than six months before expiration of the initial term; faithfully perform under the initial agreement; refurbish, repair, and replace equipment, vehicle(s), vehicle wrap, and signage to conform to the then-current Operations Manual and System standards; sign general release (subject to state law); sign a new agreement that may contain materially different terms and conditions from the original contract; pay a renewal fee; and go through retraining (if we require it).
d. Termination by franchisee	FA Section 6.2	Subject to state law, you may terminate the Franchise Agreement if you comply with the agreement and if we substantially breach any material provision of the agreement and fail to cure (or reasonably begin to cure) that breach within 30 days after receipt of written notice from you. Post-termination covenants still apply.
e. Termination by franchisor without cause	None	
f. Termination by franchisor with cause	FA Section 6.3	We can terminate only if you default. Any material violation or breach of the Franchise Agreement is deemed a material breach of any other franchise or other agreement between you and us. The non-breaching party then will be entitled to

Provision	Section in Franchise Agreement ("FA") or Other Agreement	Summary
		enforce the penalties of or to terminate the Franchise Agreement and any relevant addenda and any or all of such other Franchise Agreements.
g. "Cause" defined – curable defaults	FA Section 6.3.1	You have 30 days to cure any default not listed in Section 6.3.
h. "Cause" defined – non-curable defaults	FA Section 6.3.2	Bankruptcy and insolvency, abandonment, repeated default, misrepresentations, levy of execution, criminal conviction, noncompliance with laws, non-payment of fees, repeated under reporting of Gross Revenue, disclosure of confidential information, violation of non-competition covenants, and other defaults listed in Section 6.3.2 and 6.3.3.
	Multiple Franchise Purchase Addendum (Exhibit 3 to the Franchise Agreement), Section 8	The Multiple Franchise Purchase Addendum will expire at the earlier of the following: (1) the opening of your last franchise under your Development Schedule; or (2) the termination of the Addendum under to the terms and conditions of the Addendum or the Franchise Agreement. We will have the right to terminate the Addendum if we have the right to terminate any agreement between you and us (or our affiliate) in the future. If you do not comply with the Addendum, including the Development Schedule, we will have the right to reduce the size of (or change) your Development Area or terminate the Addendum and any of your Franchise Agreements representing Franchises that have not yet opened for business.
i. Franchisee's obligations on termination or nonrenewal.	FA Section 6.5 & 6.6	De-identification, return of manuals, release of phone numbers and listings, de-identification of your franchise equipment and premises, payment of sums owed, confidentiality, and non-competition.

Provision	Section in Franchise Agreement ("FA") or Other Agreement	Summary
j. Assignment of contract by franchisor	FA Section 7.1	There are no restrictions on our right to transfer.
k. "Transfer" by franchisee – defined	FA Section 7.1	Restrictions apply if you sell, transfer, assign, encumber, give, lease, or sublease (collectively called "transfer") the whole or any part of the Franchise Agreement, substantial assets of the franchise, or ownership or control of you.
l. Franchisor's approval of transfer by franchisee	FA Section 7.1	We have the right to approve all transfers. We will not unreasonably withhold our approval.
m. Conditions for franchisor approval of transfer	FA Section 7.1	The transferee must qualify as a franchisee, assume your obligations, and successfully pay for and complete the mandatory training. You may not be in default, must sign a general release (subject to state law), and you or the transferee must pay the Transfer Fee. You or the transferee must refurbish, repair, and replace the equipment, vehicle(s), vehicle wrap, and signage to conform to the then-current Operations Manual and System standards.
n. Franchisor's right of first refusal to acquire franchisee's business	FA Section 7.5	If you receive an offer, we will have the right to purchase on the same terms and conditions as offered to you, 30-day notice and right to decide.
o. Franchisor's option to purchase franchisee's business	FA Sections 6.5, 7.3 and 7.4	You will give us the right of first purchase before soliciting offers from a third party if you choose to sell your franchise business. We will have the right to purchase some or all of your franchise business assets upon expiration or termination of the Franchise Agreement. We will have the right of first purchase to purchase your franchise if a suitable transferee purchaser is not found within 180 days from the date of your death, disability or incapacity.
p. Death or Disability of franchisee	FA Section 7.3	Within 180 days, your heirs, beneficiaries, devisees or legal representatives may

Provision	Section in Franchise Agreement ("FA") or Other Agreement	Summary
		apply to continue to operate the franchise, or transfer Franchise interest.
q. Non-Competition Covenants During the Term of the Franchise	FA Sections 5.7 and 5.16	Subject to state law, you shall not disclose confidential information, solicit our or other franchisees' employees, divert business or customers, or compete.
r. Non-Competition Covenants After the Franchise is Terminated or Expires	FA Sections 5.7, 5.16, 6.5, 6.6 & 6.8	Subject to state law, you will not divert business or customers or solicit our or other franchisees' employees for a period of two years after expiration or termination of the Franchise Agreement. Subject to state law, no competition is allowed for two years within the Territory, within a 50-mile radius of the Territory, and within a 50-mile radius of any location or territory where we operate or have granted the franchise to operate a Biodynamic business.
s. Modification of the Agreement	FA Sections 5.5 and 9.7	We may modify the Operations Manual. Modifications to the language of the Franchise Agreement require the signed written agreement of the parties.
t. Integration/Merger Clause	FA Sections 5.1, 5.5, & 9.7	Only the terms of the Franchise Agreement and Operations Manual are binding subject to state law. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable. Nothing in the Franchise Agreement is intended to disclaim the representations we made in the franchise disclosure document that we delivered to you.
u. Dispute Resolution by Arbitration or Mediation	FA Section 9.9	Subject to state law, before taking any other legal action, the parties agree to mediate disputes. If mediation does not resolve the dispute, then the dispute must be resolved by binding arbitration. The mediation and arbitration clauses do not apply to disputes based on your (1) improper use of the Marks or other

Provision	Section in Franchise Agreement ("FA") or Other Agreement	Summary
		intellectual property; (2) violation of restrictive covenants in the Franchise Agreement (e.g. confidentiality, non-disclosure, and non-competition); or (3) monetary and payment obligations.
v. Choice of Forum	FA Section 9.9	Subject to state law, mediation, arbitration and litigation must be in the county in which our headquarters are then located (currently Clark County, Washington). Some states do not allow franchisees to give up their right to bring or defend lawsuits in the courts of their state. See the State Law Addendum attached to this disclosure document for state-specific addenda to this Item.
w. Choice of Law	FA Section 9.9	Washington law applies except as otherwise provided in the Franchise Agreement and subject to state law. See the State Law Addendum attached to this disclosure document for state-specific addenda to this Item.

See State and Provincial Law Addendum for disclosures related to specific states and provinces.

Item 18
Public Figures

No public figure is involved in our franchise program.

Item 19
Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may only be given 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.

The following disclosures are historical financial performance representations for the fiscal years ended June 30, 2023 and ~~July 31, 2022 through~~ June 30, ~~2023~~ 2024 for our affiliate-owned operations in Portland, Oregon and Seattle, Washington. The disclosures do not include information for any franchised outlets because we do not have any franchisees as of the issuance date of this disclosure document. The disclosures

are based on our affiliates' records. The information has not been audited.

July 31, 2023 Through June 30, 2024
Affiliate-Owned Operation in Portland, Oregon

Bio-Remediation:

Average Project Revenue: $19,159.53
Total Number of Projects: 31
Highest Number in Range: $74,291.49
Lowest Number in Range: $2,174.00
Average Gross Margin: 53.34%
Royalties: $1,724.36
Brand Development Fee: $191.60

Fire-Mitigation:

Average Project Revenue: $17,241.20
Total Number of Projects: 2
Highest Number in Range: $29,482.40
Lowest Number in Range: *$5,000.00 (Carroll job)
Average Gross Margin: 6.97%
Royalties: $1,551.71
Brand Development Fee: $172.41
*Project began during reporting period but has only paid deposit.

Industrial Cleaning:

Average Project Revenue: $27,947.77
Total Number of Projects: 13
Highest Number in Range: $115,862.03
Lowest Number in Range: $750.00
Average Gross Margin: 71.39%
Royalties: $2,515.30
Brand Development Fee: $279.48

Rebuild:

Average Project Revenue: $8,762.37
Total Number of Projects: 1
Highest Number in Range: $8,762.37
Lowest Number in Range: $8,762.37
Average Gross Margin: 51.72%
Royalties: $788.61
Brand Development Fee: $87.62
*Projects are all in beginning phases and have not been completed or billed.

Standard Remediation:

Average Project Revenue: $5,690.59
Total Number of Projects: 26
Highest Number in Range: $15,699.44
Lowest Number in Range: $366.75
Average Gross Margin: 48.07%
Royalties: $512.15

Brand Development Fee: $56.91

Water Mitigation:

Average Project Revenue: $23,701.35
Total Number of Projects: 15
Highest Number in Range: $167,152.46
Lowest Number in Range: $500.00
Average Gross Margin: 46.16%
Royalties: $2,133.12
Brand Development Fee: $237.01

Affiliate-Owned Operation in Seattle, Washington

Bio-Remediation:

Average Project Revenue: $18,521.76
Total Number of Projects: 30
Highest Number in Range: $68,498.22
Lowest Number in Range: $1,243.54
Average Gross Margin: 39.77%
Royalties: $1,666.96
Brand Development Fee: $185.22

Fire Mitigation:

Average Project Revenue: $74,267.37
Total Number of Projects: 1
Highest Number in Range: $74,267.37
Lowest Number in Range: $74,267.37
Average Gross Margin: 83.35%
Royalties: $6,684.06
Brand Development Fee: $742.67

Standard Remediation:

Average Project Revenue: $6,942.58
Total Number of Projects: 14
Highest Number in Range: $14,370.27
Lowest Number in Range: $2,162.00
Average Gross Margin: 35.12%
Royalties: $624.83
Brand Development Fee: $69.43

July 31, 2022 Through June 30, 2023
Affiliate-Owned Operation in Portland, Oregon

Bio-Remediation:

Average Project Revenue: $24,965.40
Total Number of Projects Performed: 15
Highest Number in Range: $54,494
Lowest Number in Range: $7,510
Average Gross Margin: 58.47%
Royalties: $2,246.89
Brand Development Fee: $249.65

Bio-Sanitization:

Average Project Revenue: $13,478.13
Total Number of Projects Performed: 3
Highest Number in Range: $1,600
Lowest Number in Range: $21,603
Average Gross Margin: 65.13%
Royalties: $1,213.03
Brand Development Fee: $134.78

Blasting:

Average Project Revenue: $25,573.75
Total Number of Projects Performed: 11
Highest Number in Range: $76,665
Lowest Number in Range: $1,500
Average Gross Margin: 72.97%
Royalties: $2,301.64
Brand Development Fee: $255.74

Residential Fire:

Average Project Revenue: $10,800.00
Total Number of Projects Performed: 1
Highest Number in Range: $10,800
Lowest Number in Range: $10,800
Average Gross Margin: 65.57%
Royalties: $972.00
Brand Development Fee: $108.00

Commercial Fire:

Average Project Revenue: $2,911,018 (See note 5 below)
Total Number of Projects Performed: 1
Highest Number in Range: $2,911,018
Lowest Number in Range: $2,911,018
Average Gross Margin: 88.35%
Royalties: $261,991.63
Brand Development Fee: $29,110.18

Standard Remediation:

Average Project Revenue: $4,877.31
Total Number of Projects Performed: 23
Highest Number in Range: $12,933
Lowest Number in Range: $976
Average Gross Margin: 49.15%
Royalties: $438.96
Brand Development Fee: $48.77

Water:

Average Project Revenue: $18,676.67
Total Number of Projects Performed: 4
Highest Number in Range: $51,067
Lowest Number in Range: $2,434
Average Gross Margin: 45.10%
Royalties: $1,680.90
Brand Development Fee: $186.77

July 31, 2022 Through June 30, 2023
Affiliate-Owned Operation in Seattle, Washington

Bio-Remediation:

Average Project Revenue: $22,914.30
Total Number of Projects Performed: 9
Highest Number in Range: $41,909
Lowest Number in Range: $9,072
Average Gross Margin: 43.22%
Royalties: $2,062.29
Brand Development Fee: $229.14

Bio-Sanitization:

Average Project Revenue: $19,650.88
Total Number of Projects Performed: 1
Highest Number in Range: $19,650.88
Lowest Number in Range: $19,650.88
Average Gross Margin: 56.50%
Royalties: $1,768.58
Brand Development Fee: $196.51

Blasting:

Average Project Revenue: $14,702.88
Total Number of Projects Performed: 1
Highest Number in Range: $14,702.88
Lowest Number in Range: $14,702.88
Average Gross Margin: 27.62%
Royalties: $1,323.26
Brand Development Fee: $147.03

Standard Remediation:

Average Project Revenue: $9,391.32
Total Number of Projects Performed: 14
Highest Number in Range: $17,993
Lowest Number in Range: $1,238
Average Gross Margin: 45.75%
Royalties: $845.22
Brand Development Fee: $93.91

Notes:

1. **Some outlets have sold or earned this amount. Your individual results may differ. There is no assurance you'll sell or earn as much.**

2. As of June 30, 2023 and June 30, 2024, there were two affiliate-owned operations and no franchised operations.

3. For purposes of this Item 19, the following definitions shall apply:

"Project Revenue" means all receipts generated from the type of project specified. It does not include discounts, returns and sales taxes.

"Gross Margin" means Project Revenue minus labor expenses and direct project costs (e.g. permits, Approved Subcontractor costs, disposal costs, materials, etc.), but does not include overhead expenses.

4. This financial performance representation includes royalty fees and brand development fees even though our affiliate did not pay such fees to us.

5. Some characteristics of the included affiliate-owned operation may differ materially from your franchised operation, including business and management experience and length of operations (our affiliate has been in operation since 2010, with emphasis on SPC since 2016, while you may be establishing a new operation). This financial performance representation includes figures for a large commercial fire in Washington State that was serviced by our affiliate-owned office in Portland, Oregon. This may not be typical to a franchisee's experience.

6. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchise.

7. Written substantiation of this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, BLACK BUCK FRANCHISING, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Matthew Ballou, President, BLACK BUCK FRANCHISING, LLC, 6705 NE 79th Court, Suite #1, Portland, OR 97218, 503-828-2520, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
Outlets and Franchisee Information

Table No. 1
Systemwide Outlet Summary
For Fiscal Years Ending June 30, 2022, 2023, and 2024

Column 1 Outlet Type	Column 2 Fiscal Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company or Affiliate Owned*	2022	2	2	0
	2023	2	2	0
	2024	2	2	0
Total Outlets	**2022**	**2**	**2**	**0**
	2023	**2**	**2**	**0**
	2024	**2**	**2**	**0**

* Owned and operated by our affiliate, BLACK BUCK ENTERPRISES LLC

Table No. 2
Transfers Of Outlets From Franchisees To New Owners (other than the Franchisor)
For Fiscal Years Ending June 30, 2022, 2023, and 2024

Column 1 State	Column 2 Fiscal Year	Column 3 Number of Transfers
All States	2022	0
	2023	0
	2024	0
Total	**2022**	**0**
	2023	**0**
	2024	**0**

Table No. 3
Status Of Franchised Outlets
For Fiscal Years Ending June 30, 2022, 2023, and 2024

Column 1 State	Col. 2 Year	Col. 3 Outlets at the Start of the Year	Col. 4 Outlets Opened	Col. 5 Termin-ations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Column 1 State	Col. 2 Year	Col. 3 Outlets at the Start of the Year	Col. 4 Outlets Opened	Col. 5 Termin-ations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
	2024	0	0	0	0	0	0	0
Totals	**2022**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 4
Status Of Company-Owned Outlets
For Fiscal Years Ending June 30, 2022, 2023, and 2024

Col. 1 State	Col. 2 Fiscal Year	Col. 3 Outlets at the Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisees	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisees	Col. 8 Outlets at End of Year
Oregon	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Washington	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	**2022**	**2**	**0**	**0**	**0**	**0**	**2**
	2023	**2**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**0**	**0**	**0**	**2**

Table No. 5
Projected Openings*
As of June 30, 2023 (Through June 30, 2024)

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
California	0	1	0
Oregon	0	0	1
Washington	0	0	0
Total	**0**	**1**	**1**

Exhibit ~~M~~G includes the following:

- A list of our current franchisee outlets and the addresses and telephone numbers of all of their operations as of June 30, ~~2023~~2024.
- A list of our current franchisees who have signed franchise agreements but whose outlets are not yet opened as of June 30, ~~2023~~2024.
- A list of our current company-owned and affiliate-owned outlets and the addresses and telephone numbers of all of their operations as of June 30, ~~2023~~2024.
- A list of the name, city and state, and the current telephone number (or if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the date of this disclosure document.

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

During the last three fiscal years, we have not signed confidentiality clauses with any of our current or former franchisees that restrict such franchisees from communicating with prospective franchisees concerning their experience in the franchise system.

No trademark-specific franchisee organizations associated with the franchise system have been created, sponsored, or endorsed by us.

No independent franchisee organizations have asked to be included in this disclosure document.

Item 21
Financial Statements

We have not been in business for three years or more and cannot include all of the financial statements otherwise required under this Item. Attached in Exhibit A are our ~~reviewed~~audited financial statements as of ~~August 31, 2023.~~June 30, 2024. Our fiscal year-end is June 30. Also attached are unaudited interim financial statements as of November 30, 2024.

Item 22
Contracts

The following agreements are attached to this disclosure document as exhibits:

Agreement Name	**Exhibit**
Standard Franchise Agreement and Attachments	B
Conditional Assignment	D
Cancellation of Assumed Business Name	E
Authorization for Electronic Funds Transfer	F
Form of General Release	H
Personal Guaranty	I
Confidentiality and Non-Competition Agreement	J
State Law Addendum	K

Item 23
Receipts

Attached to this disclosure document are two Receipt pages. They are duplicates that evidence your receipt of this disclosure document – the first is to be retained by you, the other by us (Exhibit ~~O~~N).

Exhibit A to Biodynamic Franchise Disclosure Document

FINANCIAL STATEMENTS

The attached unaudited financial statements are prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no certified public accountant has audited these figures. Since they have not been audited they do not reflect the corrections or adjustments an audit might require.

Black Buck Franchising LLC

Balance Sheet

As of November 30, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
WA Trust Operating	9,135.00
Total Bank Accounts	**$9,135.00**
Total Current Assets	**$9,135.00**
TOTAL ASSETS	**$9,135.00**
LIABILITIES AND EQUITY	
Liabilities	
Total Liabilities	
Equity	
Members Equity	9,450.00
Net Income	-315.00
Total Equity	**$9,135.00**
TOTAL LIABILITIES AND EQUITY	**$9,135.00**

Black Buck Franchising LLC

Profit and Loss

July - November, 2024

	TOTAL
Income	
Total Income	
Expenses	
Software	315.00
Total Expenses	**$315.00**
NET OPERATING INCOME	**$ -315.00**
NET INCOME	**$ -315.00**

Black Buck Franchising LLC

Statement of Cash Flows

July - November, 2024

	TOTAL
OPERATING ACTIVITIES	
Net Income	-315.00
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Net cash provided by operating activities	**$ -315.00**
NET CASH INCREASE FOR PERIOD	**$ -315.00**
Cash at beginning of period	9,450.00
CASH AT END OF PERIOD	**$9,135.00**

BLACK BUCK FRANCHISING LLC

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
JUNE 30, 2024

BLACK BUCK FRANCHISING LLC

Table of Contents

	Page
Independent auditor's report	3
Balance sheet	5
Statement of operations	6
Member's equity	7
Statement of cash flows	8
Notes to the financial statements	9

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Member
Black Buck Franchising LLC
Vancouver, WA 98661

Opinion

We have audited the accompanying financial statements of Black Buck Franchising LLC, which comprise the balance sheet as of June 30, 2024, and the related statements of operations, member's equity, and cash flows for the year 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 Black Buck Franchising LLC as of June 30, 2024, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezas & Dunlavy

St. George, Utah
January 14, 2025

BLACK BUCK FRANCHISING LLC

BALANCE SHEET

As of June 30, 2024

Assets	2024
Current assets	
Cash and cash equivalents	$ 9,450
Total current assets	9,450
Total assets	$ 9,450
Liabilities and Member's Equity	
Current liabilities	
Loan from member	$ 19,113
Total current liabilites	19,113
Total liabilities	19,113
Members' capital	
Members equity	(9,663)
Total equity	(9,663)
Total liabilities and member's equity	$ 9,450

The accompanying notes are an integral part of these financial statements

BLACK BUCK FRANCHISING LLC

STATEMENT OF OPERATIONS

For the year ended June 30, 2024

	2024
Operating revenue	$ -
Operating expenses	
Professional fees	19,113
Software fees	550
Total operating expenses	19,663
Net loss	$ (19,663)

The accompanying notes are an integral part of these financial statements

BLACK BUCK FRANCHISING LLC

STATEMENT OF MEMBER'S EQUITY

For the year ended June 30, 2024

	2024
Beginning member's equity	$ -
Member contributions	10,000
Net loss	(19,663)
Ending member's equity (deficit)	$ (9,663)

The accompanying notes are an integral part of these financial statements

BLACK BUCK FRANCHISING LLC

STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

	2024
Cash flows used in operating activities:	
Net loss	$ (19,663)
Adjustments to reconcile net income to net cash used by operating activities:	
Net cash used in operating activities	(19,663)
Cash flows from financing activities:	
Contributions from member	10,000
Loan from member	19,113
Net cash provided by financing activities	29,113
Net change in cash and cash equivalents	9,450
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	$ 9,450
Supplementary disclosures of cash flows	
Cash paid for interest and taxes	$ -

The accompanying notes are an integral part of these financial statements

BLACK BUCK FRANCHISING LLC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Black Buck Franchising LLC (the "Company") was formed on June 9,2023, as a Washington limited liability company, and is headquartered in Vancouver, Washington with affiliate locations in Portland, Oregon and Seattle, Washington. The Company provides franchises and franchise support nationwide for the restoration industry. While the franchises are "full service," offering every aspect of mitigation and restoration, there is a particular focus on mold in general, and specifically, in the niche small particulate cleanup segment. The Company did not commence operations until 2024.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending June 30 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

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

(d) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, the carrying amounts approximate fair value due to their short maturities.

(e) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses for the year ended June 30, 2024, was $0.

(f) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(g) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of June 30, 2024, the Company had cash and cash equivalents of $9,450.

(h) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalties and other sales transactions. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts.

When determining the allowance for doubtful receivable, the Company has adopted ASC 326, *Financial Instruments—Credit Losses*. This standard requires that management utilize the Current Expected Credit Losses ("CECL") model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. As of June 30, 2024, the Company had no allowance for uncollectible accounts.

(i) Long-Lived Assets

Long–lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset.

(j) Revenue Recognition

Upon inception, the Company adopted ASC 606, Revenue from Contracts with Customers. 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 considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company's revenues consist of initial franchise fees, royalties and marketing fees based on a percentage of gross revenues, and product sales.

Royalties and marketing fees

Upon evaluation of the five-step process, the Company has determined that royalties and marketing fees are to be recognized in the same period as the underlying sales.

Initial franchise fees

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. In addition, the practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation, which the Company has elected to adopt.

These pre-opening services include the following services (which the Company may or may not provide all of):

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

In determining the allocation of transaction price (the initial franchise fee) to either the license or to the pre-opening services, the Company has determined that the fair value of pre-opening services exceeds the initial franchise fee received; as such, the Company allocates the entire initial franchise fees to pre-opening services, which is then recognized as revenue when those pre-opening services have been completed (which generally occurs upon commencement of the associated franchised location's operations).

As of June 30, 2024, the Company had sold no franchises.

(k) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Washington. Accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of June 30, 2024, no tax years are subject to examination.

(2) Commitments and Contingencies

(a) Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(3) Related party transactions

The Company is related to Black Buck Enterprises, an affiliate entity, with the same owner. The affiliate entity paid professional fees incurred on behalf of the Company. The Company fully intends to repay the liability out of the available operating funds of the Company and accordingly has classified the liability as current in nature. The liability does not have stated terms and is due on demand. As of June 30, 2024, the balance due to the affiliate company was $19,113.

(4) Subsequent Events

Management has reviewed and evaluated subsequent events through January 14, 2025, the date on which the financial statements were issued.

Exhibit B to Biodynamic Franchise Disclosure Document

FRANCHISE AGREEMENT

BLACK BUCK FRANCHISING, LLC

6705 NE 79th Court, Suite #1
Portland, OR 97218

503-828-2520

TABLE OF CONTENTS

1 GRANT OF FRANCHISE AND FRANCHISE TERRITORY
- 1.1 Grant of Franchise and Franchise Territory
- 1.2 One Location for Franchise
- 1.3 Assistance in Site Location
- 1.4 Franchise Development
- 1.5 Relocation of the Franchise
- 1.6 Existence of Divergent Forms of Franchise Contracts
- 1.7 Rights We Reserve
- 1.8 Pricing

2 PAYMENT OF FEES AND OTHER FINANCIAL REQUIREMENTS
- 2.1 Initial Franchise Fee
- 2.2 Monthly Royalty Fee
- 2.3 Monthly Brand Development Fee
- 2.4 Automatic Withdrawal
- 2.5 Advertising Standards
- 2.6 "Gross Revenue" Defined
- 2.7 You Will Pay Taxes and Indebtedness
- 2.8 Set-Offs and Late Charges
- 2.9 Records and Reports
- 2.10 Audits
- 2.11 You are to Pay all Franchise Costs
- 2.12 Application of Payments
- 2.13 Optional Administrative Services

3 TRAINING
- 3.1 Mandatory Training
- 3.2 Additional Training

4 COMMENCEMENT OF OPERATIONS
- 4.1 Opening Deadline

5 FRANCHISE STANDARDS OF OPERATION
- 5.1 Operations Manual
- 5.2 Standards to Be Maintained
- 5.3 Our Intellectual Property
- 5.4 You Will Not Use Names or Marks in Combination
- 5.5 Marks, Operations Manual, and System May Be Changed
- 5.6 Confidential Information
- 5.7 In-Term Non-Competition Covenant
- 5.8 Participation in the Actual Operation of the Business
- 5.9 Computer Systems
- 5.10 Working Capital Requirements
- 5.11 Notice of Court Action
- 5.12 Products and Supplies
- 5.13 Minimum Gross Revenue Requirements
- 5.14 Non-Disparagement
- 5.15 Advisory Council
- 5.16 Non-Solicitation of Employees

6 RENEWAL, TERMINATION AND INTERIM MANAGEMENT
- 6.1 Renewal of Franchise
- 6.2 Termination by You
- 6.3 Termination by Us

6.4 Time Frames Subject to Applicable Law
6.5 Certain Post-Termination Obligations
6.6 Post-Term Non-Competition Covenant
6.7 Interim Management
6.8 Customers Upon Termination
6.9 Franchise Territory Upon Termination

7 TRANSFER
7.1 Transfer by You
7.2 Transfer by Us
7.3 Your Death or Disability
7.4 First Right of Purchase
7.5 Right of First Refusal
7.6 Appraisals

8 INDEMNIFICATION, INSURANCE, CONDEMNATION AND CASUALTY
8.1 Indemnification
8.2 Insurance
8.3 Condemnation
8.4 Casualty
8.5 Proceeds from Insurance

9 MISCELLANEOUS
9.1 Notices
9.2 Business Name
9.3 Relationship of the Parties
9.4 Waiver
9.5 Time Is of the Essence
9.6 Documents
9.7 Construction
9.8 Additional Provisions Regarding Covenants
9.9 Dispute Resolution and Enforcement
9.10 Cross-Default
9.11 Successors and Assigns
9.12 Counterparts and Electronic Signatures
9.13 Withholding Consent
9.14 Joint and Several Liability
9.15 Personal Guaranty
9.16 Force Majeure
9.17 We May Investigate
9.18 Your Additional Representations and Acknowledgments
9.19 Security Interest

F R A N C H I S E A G R E M E N T

This Franchise Agreement (this "**Agreement**") has been entered into effective _____ (the "**Effective Date**"). It is by and between BLACK BUCK FRANCHISING, LLC, a Washington limited liability company, ("**Franchisor**" and "**we/us**") and _____ _____ (jointly and severally "**Franchisee**" and "**you**").

RECITALS

A. For purposes of this Agreement "you" may include an individual, corporation, partnership, limited liability company or other legal entity. "You" includes any corporation, partnership, limited liability company, individual, combination of individuals, or other legal entity that owns a majority interest of you, or in which you own a majority interest. The term "you" will include all persons who succeed to your interest by transfer or by operation of law.

B. We have certain rights to, have registered in various jurisdictions, and intend to continue to develop names, trademarks, service marks, logos, commercial symbols, and styles. These include, but are not limited to, BIODYNAMIC and related logos (the "**Marks**"). We own valuable goodwill and have valuable expertise, Confidential Information (defined below), methods, procedures, techniques, formulas, uniform standards, operations manuals, inventory control guidelines, systems, layouts, merchandise, and materials (the "**System**"). These are connected with the establishment and operation of businesses that offer mold remediation with a focus on small particulate cleanup (SPC), damage restoration, certain niche industrial activities, and related services to the public under the Marks. We also offer the opportunity to add one or more of the following disaster restoration and niche industrial services and related rebuild services: (1) water damage restoration; (2) fire damage restoration; (3) dry ice blasting; (4) laser ablation; (5)contents restoration and storage; (6) bioremediation; (7) duct cleaning services; and (8) subscription cleaning services.

C. As a franchisee, you are in an independent contractor relationship with us. You independently own and operate your Franchise. While we establish standards and recommendations for desired outcomes to protect our System and brand, as an independent contractor franchisee, you generally determine the means to accomplish such outcomes. You are responsible for the day-to-day operation of your Franchise.

D. You desire us to train you and to authorize you to operate a high-caliber Biodynamic franchise and to use our System and Marks. We are willing to grant you such a franchise on the terms and conditions set forth in this Agreement.

AGREEMENT

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1 GRANT OF FRANCHISE AND FRANCHISE TERRITORY

1.1 **Grant of Franchise and Franchise Territory**. We grant to you, and you accept from us, the right to use the Marks, the System, and merchandise bearing the Marks, for ten (10) years from the date of this Agreement (the "**Franchise**"). This grant is solely for the operation by you of one Biodynamic Franchise at an authorized location (the "**Franchise Premises**") in a designated territory (the "**Franchise**

Territory"). The Franchise Premises and Franchise Territory will be designated in Exhibit 1. If you are adding one or more disaster restoration or niche industrial services to your Franchise, then these will be indicated in the attached Exhibit 1.

1.1.1 Franchise Territory. So long as this Agreement is in force, and you are not in default in any material provision, and except as otherwise provided in this Agreement, we will not establish or license to or allow others to establish any business offering the specific category(ies) of services you are authorized to provide pursuant to Exhibit 1 attached to this Agreement using the Marks and the System within the Franchise Territory without your prior written consent. To clarify, we will have the right to establish or allow others to establish a Biodynamic business offering other service categories in your Territory. Also, we may purchase or be purchased by, or merge or combine with, competing businesses, wherever located.

1.1.2 Marketing and Selling Within and Outside Territory. Except with our prior written permission, you shall not place advertisements using our Marks in or originating from any area other than the Franchise Territory. You may not advertise in any media with primary circulation outside the Franchise Territory, except with our prior written consent and the prior written consent of any of our franchisees whose territory is reached by that media. This includes, but is not limited to, search engine marketing (e.g. pay-per-click advertising) or other direct marketing.

You may offer and sell services outside of your Territory as long as you do not do so within the territory of another of our franchisees or company-owned outlet. Indeed, we strongly recommend that you accept all opportunities to service customers outside of your Territory (and outside the territories of our franchisees and company-owned outlets) as long as you are legally authorized to do so.

You must following our standards and directives with respect to (1) customers you originate for projects to be performed outside your Territory and within another franchisee's territory, and (2) customers originated by another franchisee in our franchise system for work to be performed in your Territory. For example, we may require the originating franchisee to refer the customer to the franchisee in whose territory the work is to be performed in exchange for a referral fee. Or, we may require the originating franchisee to service the customer in the other franchisee's territory by subcontracting the work to the other franchisee.

You may not use alternative distribution channels to make sales outside or inside your Franchise Territory, except as otherwise allowed by us in the Operations Manual.

Any presence on the internet promoting your Franchise or using our Marks (including but not limited to social media) is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, and must be coordinated through us and approved by us. You may not acquire an independent internet domain name or website.

1.1.3 Additional Locations. You may not establish or operate any other Biodynamic establishment without executing a separate Franchise Agreement for that operation. Among other things, we may require as a condition to our approval of your purchase of an additional franchise that you sign a general release in a form we prescribe, following applicable law, to release us from any claims you may have against us.

1.1.4 Catastrophe Loss Response. Notwithstanding any contrary provision in this Agreement, we reserve the right to designate any area as a catastrophe at our sole discretion ("**Catastrophe Area**"). Examples include areas impacted by wildfires, floods, hurricanes, or other weather-related catastrophes. We will have the sole discretion to determine policies and procedures for handling such catastrophes, including with respect to giving franchisees within and outside the Catastrophe Area the opportunity to

provide labor and/or equipment in the Catastrophe Area, conditions for participation, sharing of revenue among participating franchisees and the Franchisor, payment terms, any referral fees payable to the franchisee(s) with a Territory in the Catastrophe Area, providing accommodations for participating franchisees, etc.

1.2 **One Location for Franchise**. You will operate the Franchise only at the Franchise Premises, which will consist of an office and warehouse. If not determined when this Agreement is executed, you are responsible for selecting the site for the Franchise Premises within the Search Area defined in Exhibit 1 and in accordance with this Agreement.

1.3 **Assistance in Site Location**.

1.3.1 You are responsible for finding the location of the Franchise Premises subject to our approval. If you request assistance in selecting a site for the Franchise Premises, we may provide reasonable assistance in finding a location acceptable to you. If requested, you will pay for all reasonable out-of-pocket expenses related to any such site selection assistance, including travel and lodging expenses we incur to help you locate sites. Any on-site assistance is subject to our availability. You will bear all other site selection and lease negotiation expenses.

1.3.2 It is your responsibility to investigate all applicable zoning, licensing, leasing and other requirements for any proposed site. You must ensure that the site you select complies with these requirements.

1.3.3 You acknowledge and agree that any location we select or approve, and any lease we approve, will be with the understanding that it only meets our minimum acceptable criteria based upon our general business experience. The location for the Franchise Premises must meet our minimum square footage requirements and comply with standards outlined in our Operations Manual.

1.3.4 Before you enter a lease or purchase agreement for the Franchise Premises, you will submit the lease or purchase documents to us for approval. However, you acknowledge that you are responsible for reviewing and determining the appropriateness and desirability of the lease. Lease documents must include the Lease Addendum attached in Exhibit 2 or include substantially similar provisions at our discretion. You will deliver to us a true copy of the lease and any additions or amendments to it promptly after they are executed.

1.3.5 Neither we nor any of our employees have special expertise in selecting sites; we make no representations that your Franchise will be profitable or successful by being located at the approved Franchise Premises. Our minimum criteria are not a representation or guarantee that the location will be successful or that the terms of the lease are reasonable. Any site recommendation or approval we make is not a representation that any particular site is available or legally appropriate for use as a franchise site. We will have no liability with respect to the selection or approval of a location or any lease for the Premises, nor liability with respect to any site recommendations we make.

1.3.6 If we cure any breach by you under the lease or sublease, the total amount of all costs and payments we incur in effecting the cure will be immediately due and owing by you to us.

1.4 **Franchise Development**.

1.4.1 You will be responsible to furnish and equip the Franchise. We will furnish to you a schedule of equipment packages and vehicle requirements for the Franchise. Any modifications you

propose must be approved in writing by us. All approvals will be solely within our discretion to maintain a uniform image consistent with Biodynamic franchise system concepts.

1.4.2 You will comply with the standards and specifications we establish for design, layout, fixtures, furnishings, equipment, vehicle(s), and vehicle wrap, among other things. Modifications or variations require our prior written consent.

1.4.3 You will comply within a time we deem reasonable with any requirement we impose to modify the layout, furnishings, fixtures, and equipment.

1.4.4 All equipment will conform to our equipment specifications. We may require reasonable changes in or additions to equipment. If we require any changes in or additions to equipment, you will modify, replace or add to your existing equipment at your sole expense.

1.5 **Relocation of the Franchise**. You will not relocate the Franchise Premises without our prior written approval. Any relocation will be at your sole expense. This Agreement will govern your operations at any replacement Franchise Premises. Relocation will be subject to the following conditions:

A. You are not in breach of this Agreement;

B. You evidence to our satisfaction your ability to obtain and commence operations at the new location within a time we deem reasonable after you vacate the original location;

C. You develop, furnish, and equip, at your sole expense, the new location according to our then-current specifications and standards;

D. You pay all reasonable out-of-pocket expenses we incur because of the relocation. In this Agreement, "Franchise Territory" and "Franchise Premises" will include the new location;

E. You sign a general release of claims against us; and

F. You satisfy our then-current franchise placement and demographics criteria.

1.6 **Existence of Divergent Forms of Franchise Contracts**. You acknowledge that we have offered franchises to others in the past the terms of which may have varied materially from those set forth in this Agreement.

1.7 **Rights We Reserve**. We retain all rights not specifically granted to you under this Agreement. Without limiting the generality of the foregoing, we retain the rights to do the following (at our sole discretion and without granting any rights to you):

A. Use or license the use of the Marks or any other trademarks, service marks, logos or commercial symbols to anyone, and for any purpose, and at any location (subject only to your Territorial protections described in Section 1.1.1 above entitled "Franchise Territory").

B. Sell products or services anywhere, including within the Franchise Territory, using the Marks or different marks, through channels of distribution other than the Biodynamic franchise granted to you by this Agreement. We will have no obligation to compensate you for any such sales made within your Franchise Territory. For example, we may offer and sell present and future Biodynamic products online and in retail stores.

C. Reserve the exclusive right to use the internet to promote the Marks and to offer and sell products and services related to our Marks. You shall not independently market on the internet or conduct e-commerce except as otherwise allowed by us in the Operations Manual.

D. Locate Biodynamic company-owned and franchised operations anywhere outside of your Franchise Territory.

1.9 **Pricing**. To the extent permitted by applicable law, we may establish minimum or maximum allowable prices on the products and services you offer and sell. Otherwise, the ultimate decision on the prices you charge is up to you.

2 PAYMENT OF FEES AND OTHER FINANCIAL REQUIREMENTS

2.1 **Initial Franchise Fee**. The "**Initial Franchise Fee**" is $40,000 plus $5,000 for each add-on service indicated in the attached Exhibit 1, if any. The total Initial Franchise Fee is ***[$_____]*** and is payable upon signing this Agreement. The Initial Franchise Fee is paid in consideration of our sales expenses, administrative overhead, return on investment, and start-up costs related to the execution of this Agreement and the opening of the Franchise and for our lost or deferred opportunity to sell franchises in the Franchise Territory to others. The Initial Franchise Fee is deemed earned upon receipt and is non-refundable under any circumstances.

2.2 **Royalty Fee**. You will pay to us 9% of your Gross Revenue each month for the preceding month as a "**Royalty Fee**." The precise timing and method of payment for the Royalty Fee will be as described in our Operations Manual.

2.3 **Brand Development Fee**. You will pay to us 1% of your total Gross Revenue each month for the preceding month as an "**Brand Development Fee**." The precise timing and method of payment for the Brand Development Fee will be as described in our Operations Manual.

2.3.1 Brand Development Fee payments are in addition to and exclusive of any sums that you may decide to spend on local advertising and promotion. We have sole discretion over the creative ideas, materials, endorsements, media, placement, and allocation of monies related to use of the Brand Development Fee.

2.3.2 You recognize the value of advertising and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of the Biodynamic business and the System. We may use all contributions and any earnings from the Brand Development Fees we receive from you in local, regional, national, internet, or international advertising for:

A. maintaining, administering, researching, directing, preparing and placing advertising and promotional activities (including, among other things, the costs of preparing and conducting internet pay-per-click campaigns; social media marketing; television; radio; magazine and newspaper advertising campaigns; public relations programs and press releases);
B. marketing research and development;
C. marketing surveys and public relations activities;
D. development and maintenance of any internet or e-commerce programs;
E. marketing materials;
F. decor and promotional materials;
G. artwork;
H. advertising services;
I. training related to marketing, customer service and sales augmentation;
J. production and distribution of periodic newsletters to provide you with industry news, suggestions, and advice on franchise operations;

K. maintaining and updating our website;
L. development of new technologies and maintenance of technologies;
M. business development;
N. other expenses we deem reasonable at our sole discretion for administration of the franchise system and development of the brand; and
L. our reasonable salaries, accounting, collection, legal and other costs related to all of the above.

Our internal artwork, advertising, promotion and newsletter production costs and associated administrative costs are paid from the Brand Development Fees. These will be calculated at our cost as established from time to time.

2.3.3 We will use your Brand Development Fees to place advertising in geographic areas, in media, at times and using products and services we deem to be in the best interest of our franchisees and our franchise system.

2.3.4 We may spend in any fiscal year an amount greater or less than the aggregate Brand Development Fees collected from all franchisees in that year, and we may apply contributions to past expenditures and carry over any surplus or deficit to future years.

2.4 **Automatic Withdrawal**. We may require all ongoing payments described in this Franchise Agreement (including Royalty Fees and Brand Development Fees) to be made by automatic account withdrawal or other automatic processes we reasonably specify in the Operations Manual. These may include check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer or the internet. If we attempt a draw or other process that is returned unsatisfied for any reason, we may charge you a $50 fee for each unsatisfied attempt.

2.5 **Advertising Standards**.

2.5.1 Your Obligation to Advertise Locally. You must diligently promote your franchise in your Territory using marketing, advertising, and/or other promotional activities subject to our approval. We recommend that you approach potential referral sources such as naturopaths, naturopathic trade shows, etc. Such activities must comply with our minimum standards and specifications.

2.5.2 Approval of Your Local Advertising. We may provide to you an advertising packet with advertising templates we approve for you to use in your local advertising and promotional efforts. Otherwise, you will submit to us all advertising copy and other advertising and promotional materials, public relations programs and press releases, radio and television advertising, and specialty and novelty items, before you use them in your local advertising program. You will not use any advertising copy, public relations program, press release or other promotional material until we approve it. Your failure to conform to our provisions or requirements and subsequent non-action by us to require you to cure or remedy your failures and defaults will not be deemed a waiver of future or additional failures and defaults by you under this provision or any other provision of this Agreement.

2.5.3 Our Website. We have established and will maintain a website to advertise and promote our brand. We will provide you with a listing within our website. You must give us the information and materials we request to develop, update, maintain and modify the listing. Subject to the terms of use on our website, we may gather, develop and use in any lawful manner information about any visitor to the website, including your customers, franchisees or prospective franchisees regardless of whether they were referred to you via the website or were otherwise in contact with you. We retain the right to approve any linking or

other use of our website.

2.5.4 Your Online Activities.

A. You will not have the right to create an independent website that includes our Marks or promotes your franchise.

B. Your use of social media and other online mediums using our brand or promoting your franchise must be in strict compliance with our standards as outlined in our Operations Manual. We reserve the right to require you to get our prior approval of proposed venues and content for social media and other online mediums. We reserve the right to restrict or completely prohibit your use of social media and other online mediums using our brand or promoting your franchise.

C. Any domain name, site, address, account, and other online platform or presence you create or use in connection with your Franchise will be at your expense, but we will be deemed to own the rights to them. Upon termination or expiration of this Agreement for any reason, at our discretion, you must take all action, and sign all documents, necessary to transfer all ownership rights and control of all such domain names, sites, addresses, accounts, and other online presence to us. This clause does not grant you the right to acquire or use domains, sites, accounts, etc. contrary to our standards. See Section 2.5.4.B above.

D. At your sole expense, you will maintain and update as needed all computer systems and services necessary to access the internet and any intranet or similar communication system we establish in the manner we require. You are required to have high-speed internet service to your business office where you will be able to access downloads from us of advertising materials, operations manual revisions, training materials, and system news, and other communications.

2.5.5 Internal Communications Systems. You must use any intranet or other online communications systems we establish or designate. You must use such system(s) in the manner we require. You understand and agree that we may elect to provide certain assistance, deliver information and materials, or otherwise communicate with you via such system(s).

2.5.6 Trademark and Copyright Notices. You will use the Marks in strict conformity to the Operations Manual, and will include in any advertisement, or promotional materials which use the Marks, trademark notices as are required by the Operations Manual. All copyrighted materials we supply to you or otherwise used by you in connection with the Franchise will contain copyright notices as required by the Operations Manual.

2.5.7 Establishment of Advertising Programs. At any time, we will have the right to create or modify advertising regions for the purpose of establishing regional advertising, marketing and promotional programs. We will promptly notify you and our other franchisees, of the establishment, modification and geographical boundaries of regional advertising regions. We may require all franchisees located within each geographic region to meet periodically for the purpose of creating and establishing regional advertising programs. Each franchise unit, and each unit we own and operate, will be entitled to one vote at these meetings. For the purpose of this subsection, each unit we own will be deemed to be a franchise.

If at any meeting of the franchisees in an advertising region, 75% of the franchisees vote to contribute to a regional advertising program, all franchisees within that region will be obligated to make a contribution to a regional advertising fund in the amount established by the vote (the "**Regional Advertising Fund**"). No advertising region may require any franchisee in that region to make a contribution to a Regional

Advertising Fund in excess of 2% of that franchisee's Gross Revenue.

Each Regional Advertising Fund will be administered pursuant to standards and procedures outlined in the Operations Manual by representatives elected by each region, at a meeting we call for this purpose.

2.5.8 Regional or National Accounts. ~~We~~Notwithstanding any contrary provision in this Agreement, we reserve the exclusive right to service regional and national accounts and to assign them to franchisees at our discretion. What constitutes a "regional account" or "national account" will be at our sole reasonable discretion. We may designate revenue sharing between us and the franchisee(s) that service(s) the account.

2.5.9 Limited-Time Offers. In national or regional advertising programs, we may include "suggested retail prices" or offer price-specific limited-time offers for the goods or services sold by you and our other franchisees. We will include within all such advertising the phrase "available at participating locations only" or other cautionary language to advise the consumer that the prices may not be adhered to by all our franchisees.

2.5.10 Discount Programs. We may develop and market special discount or free coupon programs. You will have the right, but not the obligation, to participate in these programs. We will notify you of the creation and provisions of a discount or coupon program. Within five days after receipt of the notice, you will advise us whether or not you wish to participate in that program. If you notify us that you wish to participate, you will adhere to all provisions of the program. If you elect to be excluded from a program, we will have the right to advise consumers, by advertising, sales solicitation or otherwise, that you are not a participant. You will not be entitled to the benefits of that program. We will establish the discount or coupon programs in our sole discretion, and will not have any obligation to consult or confer with you or any other of our franchisees with respect to the nature, content or amount of any discount or coupon established pursuant to any program. Except as otherwise required by law, any discount or coupon programs or other promotions you desire to offer will be subject to our prior written approval (which we may withhold at our discretion).

2.6 **"Gross Revenue" Defined**. "**Gross Revenue**" means all receipts generated by the Franchise from any source, including sales, exchanges, services, any other type of remuneration, gift, barter of products or services, charity, payment in kind, or any other benefit or value that is received or deferred to be received, and excludes discounts, refunds, and sales taxes (except as otherwise provided in the following paragraph with respect to subcontracted restoration services). Credit transactions will be included in Gross Revenue as of the date of the transaction without deduction for uncollected credit accounts. Unless otherwise specified in the Operations Manual, any expenses related to goods or services provided to you or your customers by any parties related to you (acting as a subcontractor, vendor, or otherwise) are not deductible as adjustments from Gross Revenue. The proceeds from any business interruption insurance you receive to replace lost profits or revenue will be included in Gross Revenue.

All revenue from Mitigation Services (as defined in Section 5.2.7) will be included in your Gross Revenue. Notwithstanding any contrary provision contained herein, if you subcontract out Restoration Services (as defined in Section 5.2.7) to one or more Approved Subcontractors (as defined in Section 5.2.7), you may exclude the amount(s) you pay those Approved Subcontractors from your Gross Revenue. Otherwise, all revenue will be included in your Gross Revenue.

2.7 **You Will Pay Taxes and Indebtedness**.

2.7.1 You will pay all taxes, assessments, liens, encumbrances, accounts, and other debts,

regardless of their nature, assessed against you, the Franchise Premises, or inventory, materials, fixtures, and equipment used in the Franchise. Payment will be made when due and before delinquent except when being contested in good faith by appropriate proceedings. If we are charged with any tax by the authorized taxing authority of any state or political subdivision, including taxes on sales made to or licenses granted to you, or sales made by you in the Franchise Territory, you will pay these taxes. You will pay to us promptly and when due the amount of all sales taxes, personal property taxes and similar taxes imposed upon, required to be collected, or on account of collection by us of the Initial Franchise Fee, the Royalty Fee, or any other payments you make to us pursuant to this Agreement.

2.7.2 You acknowledge that one of the benefits accruing to you and all of our other franchisees is the economy of mass purchasing power made available through us. Your failure to pay or repeated delay in making prompt payment in accordance with the terms of the invoice or statements rendered to you for payments due, or misdirection of supplies or other abuses will result in a loss of credit standing and goodwill and a loss of benefits derived to us and other franchisees using the System. You expressly agree to promptly make all product purchase payments on invoices and statements rendered to you in accordance with the terms of the invoices and statements and to make timely remittances of rent as required on your lease.

2.8 **Set-Offs and Late Charges**.

2.8.1 You will not set off any claim for damages or money due to you from us against any payments to be paid by you to us under this Agreement or any related agreement between the parties. No endorsement or statement on any check or payment of any sum less than the full sum due from you to us will be construed as an acknowledgment of payment in full or as an accord and satisfaction. We will have the right to accept any check or payment without prejudice to our rights to recover the balance due or to pursue any other remedy available to us.

2.8.2 A late charge will be added to any sums to be paid under this Agreement that remain unpaid after the date due. The late charge will equal 1.5% per month. In addition, late payments will be subject to an administrative fee of 5% of the amount due. These late charges and administrative fees will not exceed any limits imposed by applicable local laws.

Our acceptance of late charges will not constitute a waiver of the breach created by your non-payment of any amount when due. Notwithstanding the payment of any late charges, we may exercise any rights or remedies granted by this Agreement upon your breach or any rights or remedies otherwise granted by law.

Nothing contained in this Agreement obligates us to accept any payments after due or to commit to extend credit to or otherwise finance your operation of the Franchise. You acknowledge that failure to pay all amounts when due will constitute grounds for termination of this Agreement.

2.8.3 Upon your failure to pay us as and when due, we may, at our election, deduct the unpaid sums from any monies or credit we hold for your account. You agree that you will not withhold payment of any amounts due to us on the grounds of any alleged non-performance by us, or in the event of any dispute or a claim by you, or for any other reason whatsoever.

2.9 **Records and Reports**.

2.9.1 You will keep a complete and accurate set of books and records of the operation of the Franchise, produce monthly financial statements in accordance with generally accepted accounting principles and practices for each calendar month and furnish copies of these statements to us within 30 days after the end of each quarter (or more frequently upon our request).

2.9.2 You will furnish to us as outlined in the Operations Manual, a report in the form we may require and containing such information and documentation as we may require. Without limitation, the report will include information regarding the following: your Gross Revenue for the prior month; your purchase and use of products; and your signed certification that you have not diluted the product beyond our or the manufacturers' specifications. This report must be certified by you to be true and correct. All Royalty Fees, Brand Development Fees and any other fees due based upon the Gross Revenue for the preceding month will accompany the report (unless otherwise provided in the Operations Manual).

2.9.3 You will keep records of all business done and Revenue received through the Franchise. These records will include, but are not limited to, order sheets, sales and rental agreement forms, daily sales summaries, tax returns, financial statements, invoices, and bank and credit card statements. You will date, file in consecutive order, retain for a period of five years, and make available to us for inspection and audit all of your records. Without limiting the foregoing, you must send us copies of your tax returns and any other records upon our written request.

2.9.4 Our right to inspect will include the right to examine your books, tax returns and records of other businesses owned, in whole or in part, or operated by you to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid. We may establish a uniform list of accounts and a uniform bookkeeping system for all of our franchisees. You agree to maintain your books and records in the manner we require.

2.9.5 You will submit to us a list of all shareholders, members, partners or other owners of the franchise business and the respective interests held by each as of the end of each fiscal year. Provided, however, if your shares are publicly traded, the list of shareholders required will include only those owning 5% or more of the shares outstanding. The required report will be submitted to us within 90 days after the end of your fiscal year.

2.9.6 If Franchisee fails, for any reason, to timely deliver to Franchisor any required report (with all required information) with payment, Franchisor is authorized, without further notice, to assess Royalty Fees and Brand Development Fees for each relevant period and effect an electronic funds or other transfer of such funds calculated as Franchisee's average monthly Royalty Fees and Brand Development Fees over the prior twelve months (or shorter period if Franchisee has been in operation for less than 12 months). Franchisee hereby authorizes Franchisee's bank to make such transfers upon Franchisor's request. No action taken under this sub-paragraph shall constitute a cure of any breach by Franchisee, an election of remedies by Franchisor or act, in any way, to limit Franchisee's liability to pay fees under this Agreement.

2.10 **Audits**. We may audit your reports, books, statements, business records, cash control devices, bank and credit card accounts, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you (1) understate the Gross Revenue for any reported period or periods by more than 2%, (2) fail to deliver any required report of Gross Revenue or any required financial statement in a timely manner, or (3) the audit reveals that you have violated any provision of this Agreement (or any related agreement) or any of our standards or specifications. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees, Brand Development Fees, all other fees and late payment charges that the audit determines are owed. These payments will not prejudice any other remedies we may have under this Agreement or by law. Our right to audit will include the right to examine the books, tax returns and records of other businesses that you own

or operate, in whole or in part, to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid.

2.11 **You are to Pay all Franchise Costs**. All the costs of the Franchise, including opening and operating costs, will be your sole obligation. We will have no other costs, liability or expense whatsoever with respect to your opening and operation of the Franchise. You will not use or employ the Marks in performing any activity or incurring any obligation or indebtedness in a manner that could result in making us liable for them.

2.12 **Application of Payments**. We have the right, in our sole discretion, to apply any payment from you to any past due indebtedness you owe to us or our affiliates, whether from monthly fee payments, purchases, late payment charges, or for any other reason. This section will apply regardless of how you may designate a particular payment is to be applied.

2.13 **Optional Administrative Services**. We may make available to you optional administrative services to assist with the operation of your Franchise. These services may include preparing estimates, invoicing customers, and other administrative services. We anticipate that these services would be provided during an initial phase of your business (to be determined) and not long term. You will pay us our then-current fees for such services, which may be based on hourly rates, daily rates, or other calculations.

Notwithstanding the foregoing, for bioremediation projects, we will provide certain administrative services remotely (e.g. via Zoom) at no additional cost to you for the first 10 estimates or the first 5 awarded projects (whichever comes first). Currently, such administrative services include review of report from physician, industrial hygienist, or other referral source; preparation of estimates; consultation with potential customer about the estimate; scheduling; contracting and invoicing for the initial deposit invoice; miscellaneous project management as needed; reconciliation and final invoicing; and post-testing follow-up (if any). We reserve the right to add, remove, or otherwise modify these services. After providing these initial administrative services for bioremediation projects, we will provide additional optional administrative services upon your request at our then-current fees.

3 TRAINING

3.1 Mandatory Training.

3.1.1 Initial Training at our Headquarters. Before you commence your Franchise operations, we will provide you a mandatory initial training program that lasts approximately one week at our headquarters (currently in Vancouver, Washington). We will provide additional administrative support for your initial bioremediation projects, as applicable, as described in the second paragraph of Section 2.13 above. We reserve the right to provide some or all of the training via webcast or other technology. You must attend and successfully complete the initial training program. Your field manager and office manager must also attend and complete the initial training program. You may be the field and office manager, or you may hire one or more other individuals to fill these roles. Transportation, meals, lodging, and wage expenses for any of your personnel during this period will be borne by you. Training is scheduled and held on an "as needed" basis depending on the number of franchisees requesting training in a particular time frame and our training personnel's availability. The portion of the initial training program that takes place at our headquarters must be completed at least four weeks before the scheduled date of the opening of the Franchise but in any event within 60 days after signing this Agreement. We will have no obligation to provide franchise training to you at our expense except for the first Franchise you open.

3.1.2 Initial Training and Support in Your Territory. We will provide the services of a trainer in your Territory in connection with your first small particulate cleanup (SPC) customer project. This initial training in your Territory includes only a single visit to your Territory. We anticipate that our trainer will provide training and support for the following three phases of your first SPC project: (1) contents removal; (2) demolition; and (3) structural cleaning. We anticipate that our trainer will spend approximately one to three days in your Territory in connection with each of the three phases, for a total of about one to two weeks.

3.1.3 You must complete this mandatory training program to our exclusive satisfaction or we may terminate this Agreement. You are encouraged to participate in the training before incurring any costs or expenses related to the planned opening of the Franchise. We will not be liable for any costs or expenses you incur if we terminate this Agreement because you fail to satisfactorily complete the mandatory training course.

3.1.4 You will pay the transportation, board and lodging expenses you and your manager incur related to this training. Training and training materials may be delivered in the formats or media we choose (which may include digital and online media). You will participate in and pay for the costs of training, including costs of computer equipment and internet services needed to participate.

3.1.5 We may at any time during initial training inform you that an individual attending training on your behalf is not suitable due to criminal activities, disruptive behavior or other reasons. Upon that notice, our obligations to train that individual will be deemed to have been discharged.

3.1.6 If the Franchise is managed by any persons other than you, you will notify us of these managers. Each field manager and office manager you hire must complete the mandatory training program before assuming management duties (this training program will be conducted by us or by you in accordance with our specifications, at our discretion). You will bear all costs of the training, including a reasonable training fee at our then-current rates. Each of your employees will complete a training program under the direction of you or your designated manager who has successfully completed our mandatory training course. At all times, your franchise must be operated and supervised by an individual who has completed our mandatory initial training program.

3.2 **Additional Training**.

3.2.1 Requested By You. At your option and upon not less than 30 days' prior written notice to us, you may receive additional training at our training center or at other agreed upon locations (subject to our availability). The timing and duration for this training is negotiable and depends upon your needs and our availability. All expenses of this training will be borne by you, including your transportation, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then-current rates. You will not receive any compensation for services rendered by the trainee during this or any other training.

3.2.2 Required or Offered by Us. We may provide refresher training programs or seminars and may require that you or your managers attend and complete them to our satisfaction. These programs and seminars will be held at locations we designate. We may charge a reasonable training fee at our then-current rates. You will be responsible for your transportation, meals and lodging, and wages for your employees.

3.2.3 Additional Training Required by Franchisor Based on Franchisee's Deficiency. We may require you to participate in additional training if you breach this Agreement or fail to meet our standards and specifications in the opening or operation of your Franchise as we determine at our discretion. This

training will typically be held at our headquarters or your location at our discretion. We will charge a reasonable training fee at our then-current rates. You will be responsible for your and our transportation, meals and lodging, and wages for your employees.

3.2.4 Who Will Provide Training. We may provide training through our staff and/or one or more designees or third-party service providers, which may include, for example, qualified franchisees, master franchisees, and/or representatives of our approved suppliers.

4 COMMENCEMENT OF OPERATIONS

4.1 Opening Deadline.

4.1.1 You must commence full and continuous operation of the Franchise within six months of the Effective Date (the "**Opening Deadline**").

4.1.2 Before commencing operations, you must (1) complete to our exclusive satisfaction the mandatory training program described above; (2) have your initial managers (as described above) complete the training program; (3) find a site for the Franchise Premises acceptable to you and approved by us; (4) procure all necessary licenses, permits and improvements and purchase initial equipment, supplies and inventory (as applicable); and (5) get our written consent to open.

4.1.3 If you do not open by the Opening Deadline, then we may terminate this Agreement.

5 FRANCHISE STANDARDS OF OPERATION

5.1 Operations Manual.

5.1.1 Operations Manual. The development of the System is an important and beneficial aspect of the relationship you want to have with us. We agree to lend to you a copy of the Operations Manual (the "**Operations Manual**") once you have paid to us the Initial Franchise Fee, in full. In general, the Operations Manual is intended to establish standards and recommendations for outcomes to protect our System and brand while giving you the flexibility, as an independent contractor franchisee, to determine the means to accomplish such outcomes. You are responsible for the day-to-day operation of your Franchise.

The Operations Manual describes the System, which may include specifications, standards, operating procedures, accounting and bookkeeping methods, marketing ideas, equipment requirements and control techniques, plans, specifications, and requirements, public relations guidelines and other rules that we may prescribe periodically and identify as part of the Operations Manual.

5.1.2 Formats of Operations Manual. The Operations Manual includes materials in whatever form (including electronic) we provide to you that describe the guidelines, advice, and requirements regarding the operation of your franchise, including user manuals and related instruction materials. It includes amendments, supplements, and new documents made and identified by us as part of the Operations Manual. The Operations Manual may be delivered to you by hard paper copy; digital copy; videos; or by any other medium we choose at our discretion.

5.1.3 Confidentiality of Operations Manual. The Operations Manual is and will remain confidential and our exclusive property. You will not disclose, copy or duplicate any part of the Operations Manual for any reason. You agree to return to us the Operations Manual and any updated or amended pages and irretrievably delete or destroy all electronic versions immediately upon written demand. Nothing in this

Agreement may be construed as an incorporation of the terms of the Operations Manual or as making the Operations Manual part of this Agreement. The Operations Manual, in part, may consist of confidential:

A. manual or manuals;
B. any Intranet or password protected portion of an internet site;
C. any other embodiment of the System, including notices of new standards and procedures; and
D. any amendments, supplements, derivative works, and replacements.

5.1.4 Amending Operations Manual. We may amend the Operations Manual, including changes which may affect minimum requirements for your franchise operations. At all times you will ensure that your copy of the Operations Manual and any other manuals given to you are kept current and up to date with the amendments and updates we provide to you. In the event of any dispute as to the contents of the Operations Manual, the terms of our master copies maintained at our principal place of business will be controlling.

You will strictly adhere to the requirements of the Operations Manual as we amend it periodically. You will implement immediately all changes at your cost, unless we otherwise specify. We reasonably may restrict you from producing, stocking, and selling certain services and goods as may be specified in the Operations Manual.

5.1.5 Forms and Templates and Your Compliance with Laws. To the extent we provide you forms and templates for you to use in the operation of your Franchise (in the Operations Manual or otherwise), such forms and templates are provided as samples only (unless expressly stated otherwise in this Agreement or the Operations Manual). It is solely your responsibility to ensure that all forms, templates, handbooks, documents and agreements you use in the operation of your Franchise are appropriate for their intended purposes and comply with all applicable laws. It is your responsibility to consult with your own independent lawyer and other professional advisors for more information. This is especially important with respect to employment-related matters. For example, it is your responsibility to develop an employee handbook for use with your employees with the assistance of an employment lawyer or other human resources professional of your own choosing. We shall not be responsible or liable for your use of forms and templates we provide to you. The indemnities described in Section 8.1 shall include Claims related to or arising from your use of such forms or templates.

5.2 **Standards to Be Maintained**. You will follow the System and maintain standards of product and service that we prescribe.

5.2.1 You will operate the Franchise in a clean, orderly, and respectable manner in strict compliance with this Agreement and the Operations Manual. You will only use signs, equipment, materials, products, inventory, and services that conform to our specifications to conduct the franchise.

5.2.2 If you maintain any signs at the Franchise Premises, these signs must comply with local sign ordinances, regulations and laws and must be approved by us.

5.2.3 We may enter the Franchise Territory and Franchise Premises at reasonable times to verify your compliance with the terms of this Agreement. Without limitation, we may do the following:

A. Inspect the Franchise;
B. Observe your operation of the franchise business for any consecutive or intermittent

periods we deem necessary;

C. Select items, products and other materials, services, equipment, operations and supplies for test of content and evaluation purposes to make certain that they are satisfactory and meet our quality control provisions and performance standards;
D. Interview your personnel, customers, and vendors; and
E. Inspect and copy any books, records and documents related to the operation of the franchise and any other franchise information we may require.
F. Use mystery shopper evaluators at your Franchise Premises and within your Franchise Territory.

If any inspection of your Franchised Premises by us or our designee indicates any deficiency or unsatisfactory condition at the Franchised Premises, then we may notify you in writing of the deficiencies and you must promptly correct, remedy or repair such deficiency or unsatisfactory condition. In addition, if any inspection indicates any deficiency or unsatisfactory condition that requires a re-inspection of the Franchised Premises, you shall pay us, upon demand, our then-current re-inspection fee for each re-inspection of the Franchised Premises. In addition, you will reimburse us for our out-of-pocket expenses for the re-inspection, including for transportation costs, food, lodging and similar expenses.

You and anyone acting as your agent will cooperate fully with us and our agents in connection with these inspections, observations, and interviews. You expressly waive any rights of privacy or confidentiality you have with your personnel, customers, and vendors in reference to these inspections, observations and interviews. Despite the foregoing, our reviews and inspections of your operations do not replace your duty to supervise your own business operations and workers.

5.2.4 You will comply with all applicable ordinances, regulations, bylaws, laws, and statutes. You will not permit unlawful activities in the Franchise and will not sell, exchange, offer, hold, show, rent, or permit to be sold, exchanged, offered, held, shown, or rented any material or service you know or reasonably suspect to have been obtained in violation of law or to be otherwise illegal, including but not limited to counterfeit goods.

5.2.5 You will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchise and will operate the Franchise in full compliance with all applicable ordinances and regulations, including all government laws and regulations relating to occupational hazards and health, EEOC laws, Americans with Disabilities Act, copyright laws protecting owners of artistic works, consumer protection, trade regulations, workers compensation, unemployment insurance and withholding, and payment of federal and state income taxes, social security taxes and sales, use and property taxes. You will furnish to us within 120 days after the receipt of equipment, a copy of a receipt for the payment of all use taxes, personal property taxes, and like taxes or assessments.

5.2.6 You will comply with the following additional standards:

A. You will not offer, sell or dispense any products or services or activities other than those we specifically recognize and approve in writing.
B. You, at your expense, will maintain the Franchise and equipment (including changing filters when needed) and furnishings in good repair, attractive appearance, and sound operating condition in compliance with the Operations Manual. At our reasonable request, you will refurbish, repair, maintain, and replace the equipment, vehicles, vehicle wrap, and signage to conform to the then-current Operations Manual and System standards. You will commence all such activities within a reasonable time after notice from us, and you will proceed with due diligence until completion. If you do not maintain the Franchise as

required, after notice to you, we at our option, may make the necessary maintenance and repairs and charge the cost to you. If we make or direct the making of repairs, we will not incur any liability to you, including liability for interruption of your business during the course of making the maintenance and repairs.

C. Except as outlined in our Operations Manual, or as we designate or approve in writing, or as otherwise mandated by government order or applicable law, you must keep your Franchise open for business every day of the year and must have staff available 24 hours a day, seven days a week for certain services, such as water damage restoration, as we may reasonably require.

5.2.7 Mitigation Services and Restoration Services. Only you and your employees will perform "mitigation" services for your customers. Generally speaking, mitigation services include SPC and traditional mold remediation, and subscription cleaning services ("**Mitigation Services**"). We may define this term more specifically in our Operations Manual. All revenue from Mitigation Services will be included in your Gross Revenue. On the other hand, you may subcontract out "restoration" services for your customers. Generally speaking, restoration services include water mitigation, fire mitigation, dry ice blasting, laser ablation, contents cleaning and storage, bioremediation, and duct cleaning ("**Restoration Services**"). We may define this term more specifically in our Operations Manual. You may deduct the amounts paid to Approved Subcontractors for Restoration Services from your Gross Revenue. Otherwise, all revenue will be included in your Gross Revenue. "Approved Subcontractor" means any subcontractor that (a) is not an affiliate of yours and (b) either (i) is paid less than 20% of the total Gross Revenue of the relevant project; or (ii) has been approved in writing by us upon your completion of our *Application for Approval of a Subcontractor for Restoration Services* form.

5.3 **Our Intellectual Property**.

5.3.1 You agree that the Marks, Operations Manual, System, and other intellectual property are our sole and exclusive property. Except for the Franchise granted to you by this Agreement, nothing in this Agreement or any other agreement will give you or others any right, title, or interest whatsoever in or to the Marks, Operations Manual, or System. Your license to use the Marks is non-exclusive. We, in our sole discretion, may operate under the Marks and may grant licenses to others to use the Marks on any terms and conditions we deem appropriate. In those states and nations where applicable, you agree to execute on request all documents necessary to record you as a registered user of the Marks. Except for any legally required assumed business name (*aka* doing business as or fictitious business name) filings, you shall not apply to register the Marks with any governing body. You will not use the Marks as part of any electronic mail address or in any electronic mail message except in accordance with the Operations Manual and only for purposes of the franchise.

5.3.2 You will immediately notify us of any infringement of, or challenge to, your use of the Marks or any marks identical to or confusingly similar to the Marks (or any of our other intellectual property), including any claims of infringement or unfair competition. While we anticipate making reasonable efforts to protect your rights to use the Marks (and other intellectual property), we will have sole discretion to take or not to take action, as we deem appropriate. We will not be required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks (or other intellectual property) or if the proceeding is resolved unfavorably to you. If we undertake the defense or prosecution of any litigation or administrative action involving you, the Marks, other intellectual property, or the System, you agree to execute any and all documents and to do all acts and things that in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution. This may be done either in our name or in your name, as we will elect.

5.3.3 You will modify or discontinue use of any franchise names or Marks (or other intellectual property), or will use one or more substitute names or marks (or other intellectual property), if we so direct in writing at any time at your sole expense. Under no circumstances will we be liable to you for any damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution. All obligations or requirements imposed upon you relating to the Marks (or other intellectual property) will apply with equal force to any modified or substituted names or marks (or other intellectual property).

5.3.4 You will not contest, directly or indirectly: our ownership, title, right, or interest in the Marks, the Operations Manual, other intellectual property, or the System; or our exclusive right to register, use, or license others to use the Marks, Operations Manual, other intellectual property, and System. You will not advertise or use the Marks without following our then-current guidelines and requirements. These may include, but will not be limited to, the placement of appropriate © or ® copyright and registration marks, or the designations TM or SM, where applicable.

5.3.5 Any and all goodwill associated with the Marks (or our other intellectual property), including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit, except as otherwise provided by applicable law. You appoint us as your agent and attorney-in-fact to amend or cancel any registered user or business name filings obtained by you or on your behalf that involve or pertain to the Marks.

5.3.6 You will not use the Marks on products or services that come from any source other than us or sources we approve in writing except for products you prepare or produce pursuant to the Operations Manual and the System.

5.3.7 We make no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Marks or our other intellectual property.

5.3.8 We and you will use reasonable best efforts to continuously improve the products, processes and services used in the System and to develop new products, processes and services for use as part of the System. All the improvements, inventions and developments you make, develop or create for use in the System will be our property (or that of our parent or an affiliate) and we alone (or our parent or an affiliate) will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices.

5.3.9 Your use of the Marks shall constitute active use by Franchisor or its relevant affiliates for purposes of common law use and use required for trademark registrations by Franchisor or its relevant affiliates.

5.3.10 You shall not use any marks other than the Marks in connection with your Franchise.

5.4 **You Will Not Use Names or Marks in Combination**. Except as provided in this Agreement, you will not use or give others permission to use the Marks, or any colorable imitation of them, combined with any other words or phrases. You and your owners, officers, and agents will not form or participate in the formation of any company, firm, corporation, or other entity having a name containing the words of the Marks. You may not combine or associate any name or symbol of the Marks with any other name or word in any advertising or sign. The Marks must be used in exact conformity with specifications we set in the Operations Manual.

5.5 **Marks, Operations Manual, and System May Be Changed**.

5.5.1 You acknowledge that the Marks, Operations Manual, and System, including any future amendments or modifications to them, have substantial value, and that the conditions, restrictions, covenants not to compete, and other limitations imposed by this Agreement are necessary, equitable, and reasonable for the general benefit of you, us, and others enjoying any lawful economic interest in the Marks, Operations Manual, and System.

5.5.2 We may change or modify any part of the Marks, Operations Manual, or System periodically at our sole discretion. You will accept, use, and protect, for the purposes of this Agreement, all changes and modifications as if they were a part of the Marks, Operations Manual, and System at the time this Agreement is executed. You will bear all costs and expenses which may be reasonably necessary as a result of such changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, or detriments related to of these changes or modifications.

5.5.3 Complete and detailed uniformity of the Marks, Operations Manual, and System under the varying conditions to be experienced by our franchisees may not be possible or practicable. Therefore we reserve the right, at our discretion, to accommodate your special needs, or those of any other of our franchisees. These needs may result from the peculiarities of a particular site or location, density of population, business potential, populations of trade area, existing business practices, requirements of local law or local customers, landlord requirements, or any other condition which we deem to be important to the successful operation of the franchisee's business. We may allow certain franchisees to depart from normal system standards and routines to experiment with or test new products, equipment, designs, and procedures. In no event will any variance or testing be deemed a waiver of any of our rights, or an excuse for you to not perform any of your duties under this Agreement. We may require you at any time to commence full compliance with the Operations Manual and the System. We will not be required to grant any variance to you under any circumstances. You will not require us to disclose or grant to you a like or similar variation.

5.6 **Confidential Information**.

5.6.1 You specifically acknowledge that we will provide to you valuable information regarding our System for the operation of your Franchise, which may include information regarding our operational, sales, promotional and marketing methods and techniques, operating procedures, formulae, processes, practices, lists of suppliers, customer lists, manuals, communications methods, accounting and reporting methods, use of proprietary software, marketing and sales techniques and strategies ("**Confidential Information**"). Any and all information, knowledge and know how, not generally known about the System will be deemed Confidential Information whether or not it has been marked as "confidential".

5.6.2 You acknowledge that unauthorized disclosure or use of our Confidential Information would harm our goodwill associated with our Marks and System, and would harm our other franchisees. Unless the Franchisor otherwise agrees in writing, during the term of this Agreement and forever after its expiration, transfer or termination, you will not use or disclose any Confidential Information except as required for the establishment and operation of your Franchise as authorized by us.

5.6.3 Confidential Information loses that status if: (1) You can demonstrate that such information has become generally known or easily accessible other than by your breach of this Agreement; or (2) You are legally compelled to disclose such information in judicial or administrative proceedings, provided you have notified the Franchisor prior to disclosure and shall have used your best efforts to obtain and shall have afforded the Franchisor the opportunity to obtain an appropriate protective order or other assurance satisfactory to the Franchisor of confidential treatment for the information required to be so disclosed.

5.6.4 You acknowledge and agree that our System and Confidential Information are and shall continue to be our sole and exclusive property, whether or not disclosed or entrusted to you in connection with your relationship with us. Nothing in this Agreement or any other agreement will give you or others any right, title, or interest whatsoever in or to them. Our Confidential Information shall be considered our trade secrets and shall be entitled to all protections provided by applicable law to trade secrets.

5.6.5 You agree to hold our Confidential Information in the strictest confidence. You agree to exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure. You agree to fully and strictly adhere to all security procedures we prescribe for maintaining the confidentiality of the information.

5.6.6 You will not reverse engineer, decompile, disassemble, or otherwise attempt to discover the components of any items embodying the System, our Confidential Information, our proprietary software (if any), or any of our other intellectual property, or permit or induce the foregoing. Without limiting the generality of the foregoing, Franchisee will not attempt to decode or decrypt, or derive the source code, techniques, processes, algorithms, know-how or other information from the proprietary software (if any).

5.6.7 The Operations Manual may contain guidelines to protect Confidential Information and trade secrets, including limited access to the information on a need to know basis, locking of offices and computer files, placement of appropriate legends on materials, limited access for copying and scanning, pass-word protection, and encryption. You will conduct periodic meetings with your managers and employees to instruct them on their responsibilities to maintain the confidentiality of our information.

5.6.8 If Franchisee is a business entity, all of Franchisee's owners shall either sign this Agreement directly or sign a Confidentiality and Non-Competition Agreement in the form we specify.

5.6.9 You shall require all of your officers, directors, beneficiaries, independent contractors, agents, representatives, and employees - who may obtain or who are likely to obtain knowledge concerning our Confidential Information and who do not directly sign this Agreement - to sign confidentiality and non-disclosure agreements with provisions similar to those provided in this Agreement (and non-competition agreements with provisions similar to those provided in this Agreement to the extent permitted by applicable law). We may provide a sample form of agreement for your use, but it is solely your responsibility to ensure that such agreement complies with applicable law in your jurisdiction. We must be described as a third-party beneficiary on such agreements so that we may enforce such agreements (unless we specify otherwise).

5.6.10 If you become aware of any actual or threatened unauthorized use or disclosure of our Confidential Information, then you will promptly and fully advise us in writing of all related facts known to you. You will cooperate with us in all ways we reasonably request to prevent or stop any such unauthorized use or disclosure.

5.6.11 We may disclose financial performance information regarding your Franchise operations in our franchise disclosure documents, with prospective purchasers of your franchise or franchise assets, and with others at our discretion. This may include, for example, information about your gross sales and ongoing expenses. You hereby consent to the disclosure of such information. You agree to provide such information to us promptly upon request.

5.7 **In-Term Non-Competition Covenant**.

5.7.1 In express consideration for and during the term of this Agreement, neither you nor your

owners, directors, officers, successors, agents, or representatives, nor the spouse, children, parents, or household members of you (if you are an individual) or your owners (if you are an entity) ("**Franchisee-Related Persons**") will directly or indirectly (such as through another individual or entity or otherwise) participate as an owner, director, officer, employee, consultant, franchisor, licensor, franchisee, licensee, distributor, advisor or agent, or serve in any other capacity in any Competitive Business (defined below). We may waive this covenant only in writing.

5.7.2 In this Agreement, "**Competitive Business**" shall mean any business that provides one or more of the following services: mold remediation; small particulate cleanup (SPC); water damage restoration; fire damage restoration; dry ice blasting; laser ablation; contents restoration and storage; bioremediation; duct cleaning services and subscription cleaning services. "Competitive Business" shall also include any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System. To clarify, this definition applies regardless of the specific services you are authorized to provide, or actually provide, in connection with your Franchise.

5.7.3 You will ensure that you and your owners, directors, officers, successors, agents, and representatives, and the spouse, children, parents, or household members of you (if you are an individual) or your owners (if you are an entity), during the term of this Agreement and for a period of two years after expiration or termination of this Agreement do not divert or directly or indirectly attempt to divert any of our business or any of our customers, your Franchise customers, and/or other franchisee's customers to any competing establishment.

5.7.4 The provisions relating to interests in any other business will not apply to your ownership of outstanding securities of any corporation whose securities are publicly held and traded; provided that you hold these securities for investment purposes only and that your total holdings do not constitute more than 5% of the outstanding securities of the corporation.

5.8 **Participation in the Actual Operation of the Business**.

5.8.1 You will diligently, faithfully, and honestly perform your obligations pursuant to this Agreement. You will use your best efforts to develop, promote, and enhance your Franchise. You will not engage in any activity or business enterprise that conflicts with these obligations.

5.8.2 You will not be required to participate directly in the day-to-day operation of the Franchise, but it must be under your general supervision as it is ultimately your responsibility to comply with this Agreement. You may designate a trained manager to assume responsibility for day-to-day operations.

5.9 **Computer Systems**.

5.9.1 You must purchase and use computer hardware and software (including software as a service subscriptions) (collectively "**Computer Systems**") we require from our designated or approved supplier(s) (unless we specify otherwise). If we do no designate approved or designated supplies, then your Computer Systems must comply with our minimum standards and specifications. You must comply with any separate software or other license agreement that we or our designee uses in connection with providing services to you.

5.9.2 You are required to have high-speed internet service where you will be able to access downloads from us of advertising materials, operations manual revisions, training materials and corporate news (as applicable). You must have telephone hardware and software that complies with our standards

and specifications.

5.9.3 We will have full ability to access your data, Computer Systems and related information by means of direct access whether in person or by electronic means.

5.9.4 We may require reasonable changes, replacements, or additions to the Computer Systems. If we require any such changes, replacements, or additions, you must comply with such requirements within a reasonable period at your sole expense.

5.9.5 You acknowledge your understanding that Computer Systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, and attacks by hackers and other unauthorized intruders. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to such issues, and it is your responsibility to protect your business from such issues. You should also take reasonable steps to verify that others with whom you communicate and do business have reasonable protection from such issues. This may include taking reasonable steps to secure your Computer Systems (including firewalls, password protection, and anti-virus systems), maintaining backup systems, and conducting regular training about cybersecurity threats and mitigation.

5.10 **Working Capital Requirements**. At all times during the term of this Agreement, you must maintain and employ as much working capital as may be required to enable you to properly and fully perform all your duties, obligations, and responsibilities.

5.11 **Notice of Court Action**. You will notify us in writing within five (5) days of the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or government instrumentality that may adversely affect your operation of or the financial condition of the Franchise.

5.12 **Products and Suppliers**.

5.12.1 You must purchase all goods and services needed for the operation of your Franchise either from us, our affiliates, one or more exclusively designated suppliers, our approved suppliers, or subject to our standards and specifications, as we will designate. You must purchase items that bear the Marks from us or designated suppliers. We may private label proprietary items and supplies. We retain the right to make a reasonable profit on any items, supplies and materials you buy from us or our affiliates. We may also make a reasonable profit on supplies we purchase in bulk quantities and sell to you.

5.12.2 You must sell, offer for sale, distribute or deliver only such services or products that meet the specifications and standards of quality and quantity in the Operations Manual. You must sell or offer to sell all approved items and services. You must refrain from deviating from our standards and specifications and must discontinue selling or offering for sale any such items as we may, at our discretion, disapprove in writing at any time. You will use commercially reasonable efforts and good faith to promote and sell the products and services.

5.12.3 We may require you to use approved suppliers, or we may designate a single source of supply, for any goods or services for your Franchise. All specifications that we require of you and lists of approved and exclusively designated suppliers will be included in the Operations Manual. We will use our best judgment to set and modify specifications in order to maintain the integrity and quality of the franchise system.

5.12.4 EXCEPT AS EXCLUSIVELY SET FORTH IN WRITING AND SIGNED BY US OR AN AFFILIATE, WE AND OUR AFFILIATES MAKE NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE PRODUCTS AND SERVICES WE OR OUR AFFILIATES PROVIDE. ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT RESTRICTED TO, THE IMPLIED WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED. UNDER NO CIRCUMSTANCES WILL OUR OR OUR AFFILIATES' LIABILITY IN CONNECTION WITH ANY PRODUCTS OR SERVICES EXCEED THE DOLLAR AMOUNT OF THE PURCHASE PRICE, LICENSE FEE, OR SUBSCRIPTION FEE PAID BY YOU FOR THE PRODUCTS OR SERVICES. IN NO EVENT WILL WE OR OUR AFFILIATES BE LIABLE TO ANY PARTY, INCLUDING BUT NOT LIMITED TO, YOU AND YOUR CUSTOMERS, FOR ANY TORT DAMAGES OR INDIRECT, SPECIAL, GENERAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR ANTICIPATED PROFITS AND LOSS OF GOODWILL, ARISING IN CONNECTION WITH THE USE (OR INABILITY TO USE) THE PRODUCTS OR SERVICES FOR ANY PURPOSE WHATSOEVER, EVEN IF WE OR OUR AFFILIATES ARE AWARE OR HAVE BEEN ADVISED OF THE POSSIBILITY OF POTENTIAL LOSS OR DAMAGES.

5.12.5 Except for items and services that we require you to purchase from us, our affiliates, or our exclusively designated suppliers:

With advance written notice, you may request our approval to obtain products, supplies or materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples, and other data to allow us to determine whether the items from these other sources meet our specifications and standards. These specifications and standards will relate to quality and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing prior to approval and use. You will reimburse us for the actual cost of the tests. Our confidential manufacturing requirements, equipment, designs, and systems will be disclosed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently adhere to our standards, requirements and testing procedures; will maintain the confidentiality of the designs and systems; and will adequately supply your reasonable needs. We may require a confidentiality and non-disclosure agreement signed by the proposed supplier prior to release of any Confidential Information. We will not unreasonably withhold approval of a supplier you propose. We will notify you in writing of the approval or disapproval of any supplier you propose within 30 days of our receipt from you of your written notice of request for approval.

5.12.6 You acknowledge that while you may propose alternate suppliers for products and services, the proposed suppliers may not qualify. You further acknowledge that our approved suppliers may be the only source of supply for products and services required in the Franchise.

5.12.7 We or our agents may inspect any proposed or approved manufacturer's, supplier's or distributor's facilities and products to ensure proper production, processing, storing, and transportation. Permission for inspection will be a condition of our continued approval of any manufacturer, supplier or distributor. Should we determine from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, together with a notice that unless the failure or deficiency is corrected within 30 days, the manufacturer, supplier or distributor will no longer be approved.

5.12.8 One of the potential benefits that may accrue to you and all our other franchisees is the economy of mass purchasing power potentially made available through us. Your failure to pay or repeated

delay to make prompt payment in accordance with the terms of the invoices and statements for payments due on your purchases of any items, or your misdirection of supplies or other abuse of our approved suppliers, distributors and manufacturers, will result in a loss of credit standing and goodwill and benefits otherwise available to us and our other franchisees. You expressly agree to promptly pay all such invoices and statements in accordance with their terms.

5.12.9 We may obtain money, goods, services, or other benefits from persons and entities with whom you do business, on account of that business with you. These may include rebates, refunds, commissions, co-operative payments, or discounts.

5.12.10 There are no required quotas as to quantity of purchases you must make from us or from approved vendors. You must only have enough equipment, supplies, and inventory on hand to meet customer demand.

5.12.11 If you purchase items or services from us or our affiliates, then you must make payment when you place your order. Any items or services goods sold, licensed, or leased by or through us or our affiliates to you will be sold, licensed, or leased in accordance with the terms expressly set forth in the Operations Manual or as otherwise provided for in writing by us or the manufacturer of the products and goods.

5.12.12 You must comply with all of the obligations and requirements imposed upon you by the manufacturers or distributors of the products.

5.12.13 We may require you to purchase reasonable minimum quantities of products from us or our mandated suppliers for the operation of your franchise.

5.13 **Minimum Gross Revenue Requirements**. You must comply with the following minimum Gross Revenue requirements:

Year of Business Operations	**Minimum Gross Revenue**
First year of business operations	No minimum Gross Revenue requirement
Second year of business operations	$200,000
Third year of business operations	$300,000
Fourth year of business operations	$400,000
Fifth year of business operations (and each year thereafter)	$500,000

You acknowledge and agree that this does not constitute a financial performance representation. If you do not achieve the minimum Gross Revenue requirement for any year, then we will have the right at our discretion to (2) terminate your protected Territory (so that we can establish or allow others to establish competing businesses within your former Territory), (2) change the configuration of your Territory (including reducing its size), or (3) terminate your Franchise Agreement effective immediately upon written notice.

5.14 **Non-Disparagement**. You will ensure that you and your owners, directors, officers, successors, agents, and representatives, during the term of this Agreement and thereafter, do not (1) do or perform, directly or indirectly, any act injurious or prejudicial to our goodwill associated with the Marks and/or System; or (2) disparage or defame us, our Marks, or our franchise system in any manner (orally, in writing, or otherwise).

5.15 **Advisory Council**. We may create an advertising or advisory council made up of franchisees selected by us or by vote of franchisees as we determine. We will have the power to form, change, or dissolve the advertising or advisory council. The council will serve in an advisory capacity only. You must comply with our standards and specifications with respect to communicating with us and the advisory council about your operational issues and questions, etc.

5.16 N**on-Solicitation of Employees**. During the term of this Agreement and for a period of two years after expiration or termination of this Agreement, you will not, and you will ensure that Franchisee-Related Persons (as defined in Section 5.7 above) do not, employ or seek to employ any person who is or was employed within the preceding 12 months by the Franchisor, any affiliate of the Franchisor, or any franchisee of the Franchisor, or otherwise directly or indirectly induce these persons to leave their employment. You will bind your employees to similar non-solicitation covenants to the full extent permitted by applicable law. The foregoing restrictions shall not apply to any general advertisement placed into the public domain for an employment position.

6 RENEWAL, TERMINATION AND INTERIM MANAGEMENT

6.1 Renewal of Franchise.

6.1.1 Renewal Franchise Agreement. If you are not in breach, you may renew the Franchise for periods of five (5) years under the terms of our then-current Franchise Agreement forms. These forms may vary materially from this Agreement. Royalty Fees, Brand Development Fees, and other fees will be set at the then prevailing rates and terms. Your failure or refusal to execute the renewal Franchise Agreement forms within 30 days after delivery to you may be regarded as an election by you not to renew. Upon renewal, the Franchise Territory may be modified and its geographic area may be reduced or expanded to meet our then-current franchise market penetration and demographic standards. We will not be required to renew your Franchise after the first renewal term if we are no longer actively offering franchises.

6.1.2 Additional Conditions for Renewal. To renew, you must comply with the following additional conditions:

A. You will exercise your renewal option by giving written notice to us. The notice must be given at least three months, but no earlier than six months, before the end of the franchise term established by this Agreement.
B. You will pay us a $2,500 renewal fee to help defray our time and expenses related to the renewal.
C. You must execute a general release, in a form we prescribe, following applicable law, to release us from any claims you may have against us.
D. Before renewal, you and your designated manager will attend and successfully complete any retraining program we prescribe in writing. This will be done at your expense, including transportation, meals, lodging, and our then-current training fee.
E. You will refurbish, repair, and replace the equipment, vehicle(s), vehicle wrap, and signage to conform to the then-current Operations Manual and System standards.
F. We may refuse to renew this Agreement if you fail to satisfactorily comply with this

Agreement. The determination of satisfactory compliance will be within our exclusive discretion in good faith. If we refuse to renew, you must continue to perform under this Agreement until its expiration.

6.1.3 Continuation. You have no automatic right to continue operation of the Franchise following expiration or termination of this Agreement. If you continue to operate the Franchise with our express or implied consent following the expiration or termination of this Agreement, the continuation will be a month-to-month extension of this Agreement. This Agreement will then be terminable by either party upon 30 days' written notice. Otherwise, all provisions of this Agreement will apply while operations continue. Upon termination of this Agreement under this section, all post-termination covenants and obligations in this Agreement will apply.

6.2 **Termination by You**. You may terminate this Agreement if you comply with the terms of this Agreement and if we substantially breach any material provision of this Agreement and fail to cure the breach within 30 days after receipt of written notice specifying the breach. However, if such breach cannot reasonably be cured within 30 days after delivery of notice of breach, then we must undertake within the 30-day cure period and continue, until completion, efforts to cure such breach. Termination will be effective 10 days after you deliver to us written notice of termination for our failure to cure within the allowed period. Upon termination of this Agreement pursuant to this subsection, you must comply with your post-termination obligations in this Agreement.

6.3 **Termination by Us**.

6.3.1 Default with Opportunity to Cure. You agree that it will be a **default constituting a substantial breach of a material provision of this Agreement pursuant to relevant law, thus establishing good cause for termination of this Agreement** and any other franchise and related agreements between the parties if you (or your owners, officers, or key employees) breach any term or provision of this Agreement and do not cure the breach (or reasonably begin to cure and diligently pursue the cure until the breach is remedied) within 30 days after receipt of our written notice to cure. Termination will occur immediately upon delivery to you of our written notice of termination for failure to cure within the allowed time frame.

6.3.2 Termination Without Opportunity to Cure. You agree that it will be a **default constituting a substantial breach of a material provision of this Agreement pursuant to relevant law, thus establishing good cause for us to immediately terminate this Agreement** and any other franchise and related agreements between the parties without other cause, and without giving you an opportunity to cure, if you (or your owners, officers, or key employees):

A. Become insolvent or admit to not being able to meet your obligations as they become due.
B. Fail to pass the initial training program. (See Section 3.1 above).
C. Fail to open the Franchise for business by the Opening Deadline. (See Section 4.1 above).
D. Fail to operate the Franchise continuously and actively for five or more consecutive days or any period for which it would be reasonable under the facts and circumstances for us to conclude that you do not intend to continue the Franchise.
E. Receive three or more notices to cure defaults during any consecutive 12-month period whether or not you cured such defaults.
F. On three or more occasions fail to report monthly Gross Revenue on time, understate monthly Gross Revenue by more than 2%, or distort other material information.
G. Falsify data in reports or intentionally understate Gross Revenue or other information reported to the Franchisor.
H. Make or have made any material misrepresentation or misstatement on the franchise

application or with respect to ownership of the Franchise. If you misrepresented yourself and are a competitor of ours or a competitor of an affiliate of ours, we may keep your entire initial franchise fee, cancel training and terminate this Agreement.

I. Fail to meet the minimum gross revenue requirement described in Section 5.13.

J. Are convicted of or plead guilty or no contest to a felony, or any other crime that is reasonably likely to adversely affect the System, the Franchise, or the goodwill associated with the Marks or the franchise system (as we determine at our sole discretion).

K. Within a period of 10 days after notification of noncompliance, fail to comply with any federal, state or local law or regulation applicable to the operation of the Franchise.

L. Fail to pay any Initial Franchise Fee, Royalty Fee, Brand Development Fee or any other fees or amounts owed pursuant to this Agreement within five days after receipt of written notice that the fees or amounts are overdue.

M. Operate the Franchise in a manner that creates an imminent danger to public health or safety.

N. Fail to comply with any of the confidentiality, non-disclosure, non-diversion of business, or non-competition covenants of this Agreement, including but not limited to obligations and restrictions described in Sections 5.6 and 5.7.

O. Attempt to transfer all or any portion of this Agreement, the Franchise Premises, substantial assets of the Franchise business, or ownership or control of you or to fractionalize any of the rights granted to you pursuant to this Agreement in violation of Section 7.1.

P. Deny us the right to audit your books and records, inspect the Franchise, or access your computer systems and information, as permitted under this Agreement.

Q. Engage in any conduct that is reasonably likely, at our sole opinion, to adversely affect the System, the Franchise, or the goodwill associated with the Marks or the franchise system.

R. Attempt to unilaterally repudiate this Agreement or the performance or observance of any of its terms, conditions, covenants, provisions or obligations by any conduct evidencing your intention to no longer comply with or be bound by this Agreement.

6.3.3 Automatic Termination Without Notice or Opportunity to Cure. This Agreement will automatically terminate without notice or an opportunity to cure if you:

A. Make a general assignment for the benefit of creditors, have a receiver appointed to administer or take possession of any part of the franchise or your assets, or become bankrupt, or become subject to any chapter of the United States Bankruptcy Code, unless you:

(1) timely undertake to reaffirm the obligations under this Agreement;
(2) timely comply with all conditions as legally may be imposed by us upon such an undertaking to reaffirm this Agreement; and
(3) timely comply with such other conditions and provide such assurances as may be required in relevant provisions of the United States Bankruptcy Code;

provided, however, that we and you acknowledge that this Agreement constitutes a personal service contract and that we have relied to a degree and in a manner material to this Agreement upon the personal promises of you and/or your directors, officers, shareholders or partners, as the case may be, to participate personally on a full-time basis in the management and operation of the franchise, and, consequently, we and you agree that any attempt by any other party, including the trustee in bankruptcy or any third party, to assume or to accept an assignment of this Agreement will be void.

or

B. Allow the Franchise, Franchise Premises or franchise assets to be seized, taken over, or foreclosed by a creditor, lien holder, or lessor; let a final judgment against you remain unsatisfied for 30 days (unless a supersedeas or other appeal bond is filed); or allow a levy of execution upon the Franchise or upon any property used in the Franchise, that is not discharged by means other than levy within five days of the levy.

6.4 **Time Frames Subject to Applicable Laws**. The provisions of this Agreement may state periods of notice less than those required by applicable law. They may provide for termination, cancellation, non-renewal or the like other than according to applicable law. They will be extended or modified to comply with applicable law. Also, Franchisor may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

6.5 **Certain Post-Termination Obligations**. Substantial damages that are difficult to determine at the date of execution of this Agreement will accrue to us if you do not comply with any of the following requirements upon expiration or termination of this Agreement. Upon expiration or termination of this Agreement, you will:

6.5.1 Immediately cease using the Marks (or any names or marks deceptively similar to them), the Operations Manual and the System.

6.5.2 Completely de-identify the Franchise Premises (unless we exercise our option to purchase the franchise under Section 6.5.7 below). De-identification will consist of removal of all signs; modification or remodeling of all identifying architectural features; repainting as necessary to no longer use the color scheme used in our franchise system; and any other steps necessary (at our reasonable discretion) to effectively distinguish the Franchise Premises (and vehicles, if any) from our Marks and proprietary designs, trade dress, and other intellectual property.

6.5.3 Return to us all copies of the Operations Manual and irretrievably delete or destroy all electronic versions of the Operations Manual. Return to us all records, files, instructions, correspondence, and materials in your possession or control related to the System. You will give us a complete and accurate summary of your advertisers, customers and leads, including their names, addresses, telephone numbers and related file records. You will assist us in every way possible to bring about a complete and effective transfer of your franchise business to us or to our designated franchisee.

6.5.4 Authorize business telephone, internet, email, social media providers, electronic network, directory and listing entities to transfer all numbers, email addresses, domain names, locators, directories and listings to us or our designee at no cost to us, unless we indicate in writing that we do not want to take such assignment. Notify them of the termination of your right to use the Franchise names and Marks. You authorize the transfer of your business telephone numbers and directory listings and internet addresses, email addresses, domain names and locators to us or our designated franchisees. You appoint us as your agent and attorney-in-fact to effect the transfer of these telephone numbers and directory listings and domain names and internet directory listings to us. You agree that we will be treated as the subscriber for the telephone numbers and directory listings. We will have full authority to instruct the applicable telephone, directory and listing companies on the use and disposition of the telephone listings and numbers. You release and indemnify these companies from any damage or loss because they follow our instructions.

6.5.5 Pay to us within seven days all Royalty Fees, Brand Development Fees, and other sums

you owe. These sums will include all damages, costs and expenses, including reasonable attorneys' fees and collection costs, we incur because of your breach. These sums will include all costs and expenses, including reasonable attorneys' fees, we incur in obtaining injunctive, appellate, or other relief to enforce the provisions of this Agreement.

6.5.6 Abide by all provisions of this Agreement that expressly or by reasonable implication are intended to apply after expiration or termination of this Agreement, including provisions related to non-use and non-disclosure of Confidential Information and non-competition. You will immediately return to us all of our Confidential Information you have received, including any items that embody the Confidential Information, and you will irretrievably delete or destroy all electronic copies of that information. You acknowledge that you have no continuing ownership interest in the Confidential Information.

6.5.7 At our option, do some or all of the following:

A. Remove all Franchise-related equipment, furnishings, and inventory from the Franchise Premises.

B. Assign to us ownership and control of any domain name, website, online presence or account you own or control related to the Franchise (without cost to us).

C. Sell to us all (or such portion as we designate) of your Franchise-related equipment, trade fixtures, furnishings, vehicles (if any), supplies, and other personal property ("**Personal Property**") and inventory, free and clear of all liens, restrictions, or encumbrances. The purchase price will be fair market value for Personal Property, and your invoice cost for inventory less a 10% restocking charge. We will not be liable for payment to you for intangibles, including goodwill. If we elect this option, then the parties will make good faith efforts to agree on a purchase price and payment terms within 10 days after such notice. If the parties cannot agree within the 10-day period, then fair value will be determined by appraisal as provided in Section 7.6 (entitled "Appraisals"). We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

D. Assign to us your leasehold interest in the Franchise Premises (at no additional cost to us beyond lease payment obligations from and after the date of assumption) and without our assumption of any liabilities arising before the date of assumption, and free and clear of all liens, restrictions, or encumbrances.

E. As an alternative to D above, we may choose to require you to enter into a sublease with us for the remainder of the lease term on the same terms (including renewal options) as the prime lease.

F. If you own the Franchise Premises, give us a reasonable and good faith opportunity to lease the Franchise Premises and to continue business operations there if we so choose. If we elect this option, then the parties will make good faith efforts to agree on fair lease terms within 10 days after such notice. If the parties cannot agree within the 10-day period, then fair terms for the lease will be determined by appraisal as provided in Section 7.6 (entitled "Appraisals").

G. Assign to us such equipment leases as we may choose (at no additional cost to us beyond lease payment obligations from and after the date of assumption) and without our assumption of any liabilities arising before the date of assumption, and free and clear of all liens, restrictions, or encumbrances;

We will have the right to elect one or more of the options described in Section 6.5.7.A through 6.5.7.G by

written notice to you within 30 days of expiration or termination of this Agreement. We will have the unrestricted right to assign any of the options to any designee we choose.

6.5.8 Upon termination for any reason, you will return to us all proprietary and confidential materials, including customer lists and data, keys, codes, signage, advertising and marketing materials, service agreements and other forms, printed files, security codes, and the like as may be described in the Operations Manual. If you fail to return or cease use of any of these items, we may enter your business premises without being guilty of trespass or any other tort to remove and retain the items and to irretrievably delete or destroy electronic copies of the items. You will pay to us, on demand, any expenses we incur in trying to remove, delete, destroy, or collect such items or in attempting to have you cease use of them.

6.5.9 Damages Upon Termination for Default. In addition to any liquidated damages described in Section 9.8.3 below, upon termination pursuant to any default by Franchisee, Franchisee agrees to pay Franchisor, all lost profits and any actual direct and consequential damages and any costs and expenses (including reasonable attorneys' fees) incurred by Franchisor as a result of such default and termination. Franchisee acknowledges and agrees that it does not have the right to terminate this Agreement, except as provided in Section 6.2, or as otherwise agreed in writing by the parties, and that any termination of this Agreement by Franchisee that is not in accordance with the terms of Section 6.2, or any termination of this Agreement by Franchisor in accordance with its terms, may result in lost future revenue and profits to Franchisor, harm to the goodwill associated with the Marks, and increased costs to Franchisor to re-develop or re-franchise the market in which the Franchise is located.

Accordingly, in the event that Franchisee terminates this Agreement other than in accordance with the terms of Section 6.2, or if Franchisor terminates this Agreement pursuant to its terms, then Franchisee shall pay to Franchisor within fifteen (15) days of such termination as actual direct damages, (and not as a penalty), an amount equal to Royalty Fees, Brand Development Fees, and other ongoing fees Franchisee should have paid, had this Agreement not been terminated, for the number of months remaining in the term of this Agreement. Such payment will be calculated based on the *higher* of (1) the average monthly Royalty Fees, Brand Development Fees, and other ongoing fees Franchisee paid (or if unpaid, payable) during the immediately preceding 12-month period (or shorter period if you will have operated for less than 12 months at the time of termination) multiplied by the full and partial months remaining in the term; and (2) the Royalty Fees, Brand Development Fees, and other ongoing fees Franchisee would have paid for the remainder of the term multiplied by the relevant Minimum Gross Revenue Requirement in Section 5.13. For termination during the middle of a year of business operation (a "Business Year"), the actual damages for that partial Business Year will be the greater of the amount described in subsection (1) and (2) of this paragraph multiplied by a fraction, the numerator of which is the number of days remaining in that Business Year and the denominator of which will the total number of days in that Business Year, where the term "Business Year" means a 12-month period beginning on the date Franchisee is first open for business or any anniversary of that date.

6.6 **Post-Term Non-Competition Covenant**. This covenant will apply for two years after termination or expiration of this Agreement or upon a "Transfer" as defined in Section 7.1 below. In express consideration for this Agreement, you will ensure that you and your owners, LLC managers, directors, officers, successors, agents, and others occupying similar positions, and the spouse, children, parents, and household members of you (if you are an individual) or your owners (if you are an entity), will not directly or indirectly (such as through another individual or entity or otherwise) participate as an owner, director, officer, employee, consultant, franchisor, licensor, franchisee, licensee, distributor, advisor or agent, or serve in any other capacity in any Competitive Business (as defined in Section 5.7.2). To clarify, this definition applies regardless of the specific services you have been authorized to provide, or actually provided, in connection with your Franchise. This covenant applies within the Franchise Territory, within

a 50-mile radius of the Franchise Territory, and within a 50-mile radius of any location or franchise territory where we operate or have granted the franchise to operate a Biodynamic business. We may waive this covenant only in writing.

6.7 **Interim Management**. To protect the System, the Marks, the Confidential Information, and the goodwill associated with the same, Franchisor may (but is not obligated to) assume interim management of the Franchise for any of the following reasons: (a) after Franchisor has given Franchisee written notice that Franchisee is in default under this Agreement and during the pendency of any cure period or in lieu of immediately terminating this Agreement; (b) you are absent or incapacitated because of illness or other reasons (c) your business activities are having, or are likely to have, a negative impact upon the value of our Marks, goodwill, or the franchise system (as we determine at our sole discretion); (d) we determine that significant operational problems require us to temporarily operate the Franchise; (e) while your Franchise is not being managed by a competent and trained manager after your Death or Disability (as defined in Section 7.3 below); or (f) after termination or expiration of your Franchise Agreement while we are deciding whether to exercise our right to assume your lease and/or purchase any or all of your assets pursuant to Section 6.5 above, or while such a purchase or assumption is pending. If Franchisor elects to assume interim management of the Franchise, then: (i) Franchisor's election will not relieve Franchisee of Franchisee's obligations under this Agreement; (ii) Franchisor will not be liable for any debts, losses, costs or expenses incurred in the operation of the Franchise during any interim management period; (iii) Franchisor will have the right to charge a reasonable fee for the management services; (iv) Franchisee hereby agrees to indemnify, defend and hold harmless Franchisor and its interim manager(s) from and against any and all claims, demands, judgments, fines, losses, liabilities, costs, amounts paid in settlement and reasonable expenses (including, but not limited to attorneys' fees) incurred in connection with the interim management of the Franchise, other than those arising solely from the gross negligence or willful misconduct of Franchisor; and (v) our operation or appointment of a manager to operate the Franchised Business will not be deemed an assignment to us of your commercial lease or sublease. We will have no responsibility for payment of any rent or other charges owing on any lease.

6.8 **Customers Upon Termination**. All customer lists, data, accounts, and information ("**Customer Information**") are proprietary to Franchisor during and after the term of this Agreement. Therefore, despite any contrary provision in this Agreement, upon expiration or termination of this Agreement for any reason, all Customer Information for customers that you serviced during the term of this Agreement will revert to us, and you will no longer have the right to service those customers in any manner or at any time. Without limiting our rights as described above in this paragraph, you agree that all Customer Information shall be deemed assigned by you to us (or our designee) immediately upon termination or expiration of this Agreement. You agree to execute any and all documents and do such acts as we may request (in our sole business judgment) to accomplish the purposes of this paragraph.

6.9 **Franchise Territory Upon Termination**. Upon expiration or termination of this Agreement, we may immediately license or franchise the Franchise Territory to another person or may operate Biodynamic businesses within the Franchise Territory.

7 TRANSFER

7.1 Transfer by You.

7.1.1 We enter this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of you (or your owners if you are a business entity). Your rights and obligations under this Agreement are exclusive to you. Except as expressly permitted by this Agreement, you, your owners and others claiming an interest in the Franchise shall not

voluntarily or involuntarily sell, transfer, assign, encumber, give, lease, or sublease, or allow any other person to conduct business in or through (collectively called "**Transfer**") the whole or any part of: (1) this Agreement; (2) the Franchise Premises; (3) substantial assets of the Franchise business; (4) ownership or control of Franchisee. Any attempted Transfer without our prior written consent will be a breach of this Agreement.

7.1.2 We need not consent to any proposed Transfer before the date the Franchise opens for business; or to a competitor of ours; or if we reasonably believe the purchase price is excessive or if we believe based upon a review of the transferee's operational and business plans that the transferee's business operations might not be beneficial on a cash flow or financial basis (because we will have a strong and vested interest in the financial viability and ongoing management abilities of the transferee).

7.1.3 You recognize that there are many subjective factors that comprise the process by which we select a suitable franchise owner. While we will exercise our discretion reasonably, our consent to a Transfer by you will remain a subjective determination and will include, but not be limited to, the following conditions. Before the effective date of a Transfer we approve:

A. The transferee must assume your Franchise obligations. You will remain bound by all covenants in this Agreement that expressly or by reasonable implication are intended to apply after Transfer of your Franchise rights, including covenants related to non-use and non-disclosure of Confidential Information, post-term non-competition, non-use of the Marks, and similar covenants.

B. You will pay all ascertained or liquidated debts concerning the Franchise. This includes any amounts you owe us or our affiliates pursuant to the Franchise Agreement (or any other agreement between the parties at our discretion).

C. You may not be in breach of this Agreement or any other agreement between the parties.

D. The transferee will pay for and complete to our exclusive satisfaction the training programs we then require of new franchisees or otherwise show to our satisfaction sufficient ability to successfully operate the Franchise.

E. You or the transferee will pay a Transfer Fee of $12,000 (or $2,500 if the owners of an entity franchisee are transferring less than 20% of the ownership interest in the entity). This fee will reimburse us for our reasonable legal, accounting, credit check, and investigation expenses that result from the Transfer, as well as the mandatory training program for the transferee (as applicable).

F. You will pay us a 10% commission on the gross Transfer price (excluding the price of real property) if we obtain the transferee for you.

G. The transferee will execute all documents we then require of new franchisees. This includes a new franchise agreement in the form we then are using. The new franchise agreement may contain economic and general terms that are materially different from those contained in this Agreement. The term of the new agreement will be for the unexpired term of this Agreement or for a new full term as we will elect. You must ask us to provide the prospective purchaser with our current form of disclosure document required by the applicable federal or provincial/state registration and disclosure laws. We will not be liable for any representations you make apart from those contained in our disclosure document.

H. The transferee will meet our standards for quality of character, financial capacity, and experience required of a new or renewing franchisee. You will provide information we require to prove the transferee meets our standards.

I. If permitted by applicable law, you and your owners, LLC managers, officers, directors, and individuals occupying similar positions will execute a general release in our favor. The release will be in a form we prescribe, following applicable law, to release any claims

you may have against us and our parent, subsidiaries, affiliates, owners, officers, directors, agents, representatives, and employees. This will include claims arising under federal, state and local laws, rules and ordinances arising out of, or connected with, the offer, sell and performance of this Agreement or any other agreement between the parties.

J. If the Initial Franchise Fee has not yet been paid in full, it must be paid in full prior to the date of Transfer.

K. If the lease or sublease for the Franchise Premise requires, the lessor or sublessor must have consented to the assignment or sublease of the Franchise Premises to the transferee. All fixtures, furnishings and equipment at the Franchise Premises must be in good working order and free of operational defects. It will be your responsibility to bring all fixtures, furnishings and equipment to proper working order before the date of Transfer.

L. You will enter into an agreement to subordinate, to the transferee's obligations to us (including the payment of all franchise fees), any obligations of the transferee to make installment payments of the purchase price to you. The form of this subordination is subject to our approval.

M. You will deliver to the purchaser the Operations Manual and all other manuals and materials we provided to you for use in the Franchise, including all materials bearing the Marks and our advertising, promotional and training materials.

N. You or the transferee will refurbish, repair, and replace the equipment, vehicles, vehicle wrap, and signage to conform to the then-current Operations Manual and System standards.

7.1.4 Upon our granting of approval for the Transfer, you will ensure that the Transfer is effected in compliance with the requirements of all federal, state, and local laws, including applicable tax and bulk sales legislation, and with the applicable requirements of the lease of the Franchise Premises.

7.1.5 With our prior written consent, you may Transfer your rights and obligations under this Agreement to a business entity in which you continuously own 100% of the issued and outstanding shares of each class of stock or other evidence of ownership. The entity must be newly organized with its activities confined exclusively to act as the Franchisee under this Agreement. The entity must agree in writing to be bound by the terms of this Agreement. You will remain a party to this Agreement and therefore personally, jointly and severally liable in all respects under this Agreement.

7.1.6 You may offer your securities or partnership interests to the public, by private offering, or otherwise, only with our prior written consent. Consent may not be unreasonably withheld. All materials required for the offering by federal or state law will be submitted to us for review before filing with any government agency. Any materials to be used in any exempt offering will be submitted to us for review prior to their use. No offering by you will imply (by use of the Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities. You and all other participants in the offering must fully indemnify us concerning the offering. For each proposed offering, you will pay to us the amount necessary to reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including, legal and accounting fees. You will give us at least 60 days' written notice before the effective date of any offering or other transaction covered by this subsection.

7.1.7 You may not grant sub-franchises or similar franchise rights to others.

7.1.8 Our consent to a proposed Transfer will not be a waiver of any claims we may have against you or your owners, or a waiver of our right to demand exact compliance with this Agreement. Our consent to a Transfer will not constitute or be interpreted as consent for any future Transfer.

7.1.9 You will comply with and help us to comply with any laws that apply to the Transfer,

including state and federal laws governing the offer and sale of franchises.

7.1.10 If you are a business entity, your ownership certificates and/or operating agreements will clearly state that assignment or transfer of ownership interests is subject to the restrictions imposed upon assignments by this Agreement.

7.2 **Transfer by Us**.

7.2.1 We shall have the right to sell all or any part of our assets, including the Marks or other intellectual property, and our interest in, and rights and obligations under this Agreement in our sole discretion. Without limiting the generality of the foregoing, we may sell the System to one or more third parties, may go public, may engage in a placement of some or all of our securities, may merge, acquire other entities or be acquired by other entities, or may undertake a refinancing, recapitalization, re-organization, leveraged buyout or other economic or financial restructuring. We will not be required to remain in any particular form of business.

7.2.2 As for any or all of these sales, assignments and dispositions, you waive any claims, demands or damages arising from or related to the loss of the Marks (or any variation of them) or the loss of association with or identification as part of our franchise system.

7.3 **Your Death or Disability**.

7.3.1 In the case of your death or permanent disability or incapacity (such that you are unable to perform your functions as franchisee as determined by Franchisor at its reasonable discretion) if you are an individual, or of any general partner of you if you are a partnership, or of any member or shareholder owning 50% or more of you if you are a limited liability company or corporation or other entity (your "**Death or Disability**"), the executor, administrator, conservator, or other personal representative of the deceased or permanently disabled person, or the remaining owners, must appoint a competent manager within a reasonable time, not to exceed 30 days after the date of Death or Disability. The appointment of this manager is subject to satisfactory completion of our required training program(s).

7.3.2 In addition to the right to appoint a temporary manager as described in Section 6.7 (entitled "Interim Management"), the following will apply in case of Death or Disability. Within 180 days of the event, the heirs, beneficiaries, devisees or legal representatives of that individual may:

A. Apply to us for the right to continue to operate the Franchise for the duration of the term of this Agreement. The right to continue will be granted upon the fulfillment of all of the conditions set forth in Section 7.1, except that no transfer fee will be required; or

B. Transfer your interest according to the provisions of Section 7.1. If a proper and timely application for the right to continue to operate has been made and rejected, the 180 days within which to transfer will be computed from the date of rejection.

7.3.3 If a suitable transferee purchaser is not found within 180 days from the date of Death or Disability, we may at our sole option enter into a contract to purchase the Franchise. We will have the right to elect this option by written notice to you (or one or more of your heirs, beneficiaries, devisees or legal representatives) within 60 days of the expiration of the 180-day period. If we elect this option, then the parties will make good faith efforts to agree on a purchase price and payment terms within 10 days after such notice. If the parties cannot agree within the 10-day period, then fair value will be determined by appraisal as provided in Section 7.6 (entitled "Appraisals").

7.3.4 If the provisions of this Section 7.3 have not been fulfilled within the time provided, at our option, all rights licensed to you under this Agreement will immediately terminate and revert to us.

7.4 **First Right of Purchase**.

7.4.1 Before soliciting offers from others, you will notify us in writing if you desire to effectuate a Transfer (defined in Section 7.1). You will give us sufficient information and documentation to allow us to analyze the status and value of your business. We will notify you of our election or waiver of our option to purchase within 30 days after our receipt of your written notification and due diligence information. Our failure to notify you within the 30-day period will be deemed a waiver of our option. If we offer you an amount that you do not agree to, you may try to sell to a third party but on no better terms for the purchaser than we offered to you. If you later receive an offer from a third-party purchaser on better terms than we offered to you, you are obligated to re-offer to us pursuant to Section 7.5 (Right of First Refusal). Before any Transfer, you must comply with Section 7.1 (Transfer by You) and Section 7.5 (Right of First Refusal). If you do not complete a transaction with a third party within six months, you agree we will again have the right of first purchase before any subsequent contemplated transaction (notwithstanding any prior waiver).

7.4.2 We may elect to purchase all of the franchise business regardless of your intent to sell, assign or transfer a lesser interest. We can choose to pay the purchase price in cash up front or by industry-standard monthly payments that amortize the principal amount with interest calculated at the prime rate as of the date of purchase.

7.5 **Right of First Refusal**.

7.5.1 If you receive a bona fide offer from a third party acting at arm's length to purchase the Franchise, a majority interest in ownership of you, or substantially all of the assets of the Franchise, which offer is acceptable to you or to your owners, we will have the right of first refusal to purchase at the bona fide price on the same terms and conditions as offered to you. We may substitute cash for any other form of consideration contained in the offer. Our credit will be deemed to be equal to the credit of any proposed purchaser. At our option, we may pay the entire purchase price at closing. Within 10 days after receipt by you of an acceptable bona fide offer, you will notify us in writing of the terms and conditions of the offer. You will give us sufficient information and documentation to allow us to analyze the status and value of your business. We may exercise this right of first refusal within 30 days after receipt of notice from you and due diligence information.

7.5.2 If the interest which is the subject of the third party's offer involves less than all of the ownership interest, then in our sole option, our right of first refusal will apply to the entire ownership interest. In such case, the consideration to be received, as set forth in the offer shall be divided by the percentage interest subject to the offer and the resulting quotient shall be the price to be paid for the entire ownership interest. Terms and conditions for the purchase of the entire ownership interest shall be as similar to the terms and conditions set forth in the offer as practicable, except for the substitute provisions noted above in this subsection.

7.5.3 If we do not exercise our right of first refusal within the 30-day period, you may make the proposed transfer to a third party. The transfer will not be at a lower price nor on more favorable terms than disclosed to us. Any transfer will be subject to Section 7.1 (Transfer by You). If the Franchise is not transferred by you within six months from the date it is offered to us, or if any material change is made in the terms of the proposed sale, then you must re-offer to transfer to us before a transfer to a third party.

7.6 **Appraisals**.

7.6.1 This Section 7.6 will apply to any other provisions of this Agreement that require determination of value by appraisal. The fair value of the relevant asset(s) will be determined by a single appraiser selected by you from a list of two appraisers provided by us. Franchisor and Franchisee will equally share the cost of the appraisal. The parties may then present evidence of the value of the relevant asset(s). For purposes of Section 6.5.7 (our rights upon termination or expiration), the appraiser must *exclude* from its decision any amount or factor for the "goodwill" or "going concern" value. For purposes of Section 7.3.3 (our right to acquire your franchise upon your Death or Disability), the appraiser may *include* in its decision a factor for the "goodwill" or "going concern" value of the Franchise.

7.6.2 Any time within 30 days after receiving the appraiser's decision, at our option we may enter into the transaction at the price determined by the appraiser.

7.6.3 For purposes of Section 6.5.7 (our rights upon termination or expiration) and Section 7.3.3 (our right to acquire your Franchise upon death or permanent disability or incapacity), terms of payment will be 10% of the purchase price payable upon contract signing, the balance payable in 60 equal monthly payments of principal payments with interest calculated at the prime rate published by our principal bank at time of execution of the purchase contracts.

8 INDEMNIFICATION, INSURANCE, CONDEMNATION AND CASUALTY

8.1 **Indemnification**.

8.1.1 Franchisee shall defend, hold harmless and indemnify Franchisor, its officers, directors, owners, agents, representatives, employees, landlords, related companies, and assigns (each an "**Indemnified Party**" and collectively "**Indemnified Parties**") from any and all losses, claims, damages, liabilities, or expenses of any kind or nature, including fines, penalties, interest, attorneys' fees, and all other types of costs or expenses (collectively "**Claims**"), arising directly or indirectly from the establishment or operation of the franchise business, the Franchise Premises, and the acts or omissions (whether or not negligent or wrongful) of Franchisee or of any of Franchisee's manager(s), employees, agents, or representatives, including but not limited to acts or omissions in connection with the performance or breach of any obligation under this Agreement. Without limiting the foregoing, this indemnity will apply to claims that we (or one or more other Franchisor Indemnified Parties) were negligent or failed to train, supervise or discipline you, and to claims that you, your owners, employees, brokers or your independent contractors are our (or another Indemnified Party's) employees or agents, or are part of a common enterprise with us (or another Indemnified Party), including claims regarding violations of labor or employment laws or regulations. The obligations under this Section shall survive the expiration or termination of this Agreement.

8.1.2 You will defend the Indemnified Parties at your own expense in any legal or administrative proceeding subject to this Section 8.1. The defense will be conducted by attorneys we approve. Our approval will not be unreasonably withheld. You will immediately pay and discharge any liability rendered against any Indemnified Party in any proceeding, including any settlement that we approve in writing. You will not settle any claim against any Indemnified Party without our prior written approval. In our sole discretion and upon prior written notice to you, we may settle or defend any claims against any Indemnified Party at your expense, including attorneys' fees that we pay or incur in settling or defending. Promptly upon demand, you will reimburse us for any and all legal and other expenses we reasonably incur in investigating, preparing, defending, settling, compromising or paying any settlement or claim, including monies that we pay or incur in settling or defending such proceeding.

8.2 **Insurance**.

8.2.1 During the term of this Agreement, you shall, at your own cost and expense, acquire and maintain with carriers reasonably satisfactory to us, sufficient insurance to adequately protect the respective interests of the parties to this Agreement, including your indemnity obligations under this Agreement. Specifically, you must maintain in force policies of insurance with the following minimum limits of coverage for each Franchise:

A. Broad form commercial general liability coverage, on an occurrence form (including premises and operations, products and completed operations, personal & advertising injury, broad form contractual, and employers liability, and products liability), against claims for bodily injury, personal injury, including death, and property damage with minimum limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate for each coverage;

B. Worker's compensation and employer's liability insurance in statutory amounts;

C. Unemployment insurance and state disability as required by governing laws;

D. Employment practices liability insurance with minimum limits of not less than $1,000,000 per occurrence/aggregate including third party endorsement;

E. Business automobile liability, including bodily injury and property damage coverage for all owned, non-owned and hired vehicles, with limits of not less than $1,000,000 for injuries to persons resulting from any one accident, and $500,000 for property damage resulting from any one accident;

F. All risk property insurance including equipment breakdown for the full replacement cost sufficient to cover all business personal property including contents, leasehold improvements, furniture, fixtures, equipment, and signs;

G. If you achieve $1,000,000 in Gross Revenue during a calendar year, then from that point forward you must maintain the following insurance (even if you drop below $1,000,000 in annual revenue in future years): Loss of income including extra expense insurance with sufficient limits to cover all ongoing expenses, including, future profits, royalty fees, advertising contributions, ordinary payroll for competent personnel and other fixed expenses for a minimum of 24 months from the date of loss;

H. You must carry commercial umbrella liability insurance with limits not less than $5,000,000 each occurrence. The umbrella liability will be on a following form basis of the underlying policies (commercial general liability, premises and operations, products and completed operations, personal and advertising injury, automobile and employers liability);

I. Blanket employee dishonesty coverage with minimum limits of not less than $50,000;

J. If you achieve $1,000,000 in Gross Revenue during a calendar year, then from that point forward you must maintain the following insurance (even if you drop below $1,000,000 in annual revenue in future years): Cyber and privacy liability with minimum limits of $1,000,000, including crisis management and data extortion expense;

K. Professional (Errors and Omissions) Liability insurance covering Franchisee's legal liability for damages arising out of Franchisee's performance of the services with a minimum insurance coverage amount of $1,000,000 per claim and $2,000,000 in the aggregate.

8.2.2 Franchisee shall also maintain such additional insurance as is necessary to comply with all legal requirements concerning insurance as well as any other insurance required by Franchisee's landlord. Franchisor may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time (upon 60 days' advance notice), including

higher liability limits, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

8.2.3 Each insurance policy shall: (1) name Franchisor and each of its affiliates, owners, officers, directors, agents, and employees (as may be specified by Franchisor) as additional insureds (except for worker's compensation, employer's liability insurance, employment practices liability insurance, and other employer-related insurance coverage) on a primary, non-contributory basis and provide a waiver of subrogation rights against Franchisor and each of its affiliates, owners, officers, directors, LLC managers, agents, and employees; (2) provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of the policy; and (3) provide that coverage applies separately to each insured. In the case of property insurance, the Franchisor parties shall be named as their interests may appear. Insurance carriers must be authorized to do business in the state where your Franchise Premises is located, be rated at least A-X with A.M. Best and approved by us. At our discretion, we may require you to purchase your insurance from a specific insurance carrier. Upon request, you must provide us with proof of insurance in compliance with this Agreement.

8.2.4 Certificates shall provide 30 days' notice prior written notice to Franchisor of any material modification, cancellation, or expiration of the policy, and due in our office 30 days prior to expiration and coverages listed above.

8.2.5 Franchisee shall provide Franchisor with evidence of the insurance required at least fifteen (15) days before the Franchise opens. Franchisee shall provide Franchisor with a complete copy of each insurance policy no later than thirty (30) days after delivery of the original proof of insurance, if required by Franchisor. Prior to the expiration of each insurance policy term, Franchisee shall furnish Franchisor with evidence of each renewal or replacement insurance policy to be maintained by Franchisee for the immediately following term and evidence of the payment of the premium thereof. If Franchisee fails or refuses to maintain required insurance coverage or to furnish satisfactory evidence thereof and the payment of the premiums thereof, Franchisor may, at Franchisor's option, and in addition to Franchisor's other rights and remedies hereunder, obtain such insurance coverage on Franchisee's behalf and Franchisee shall fully cooperate with Franchisor in its effort to obtain such insurance policies, promptly execute all forms or instruments required to obtain or maintain any such insurance, allow any inspections of the Franchise Premises which are required to obtain or maintain such insurance and pay to Franchisor on demand any costs and premiums incurred by Franchisor. If Franchisee fails to purchase or maintain any insurance required by this Agreement or fails to reimburse Franchisor for its purchase of insurance on Franchisee's behalf within fifteen (15) days of delivery to Franchisee of Franchisor's written demand for reimbursement, then Franchisor may terminate this Agreement upon notice of termination without opportunity to cure.

8.2.6 The maintenance of sufficient insurance coverage shall be Franchisee's responsibility. Nothing contained in this Agreement will be construed as a representation or warranty by us that the minimum insurance coverage we specify will insure you against all insurable risks or amounts of loss that may or can arise out of or in connection with the operation of your franchise business.

8.2.7 Franchisee's obligations to maintain insurance coverage as herein described shall not be affected in any manner by reason of any separate insurance maintained by Franchisor nor shall the maintenance of such insurance relieve Franchisee of any indemnification obligations under this Agreement.

8.2.8 You must give us notice of any insurance claim (with such information as we may require) within 10 days of your receipt of a claim.

8.2.9 We may require you to ensure that your subcontractors name the Franchisor as an additional insured on their insurance policies.

8.3 **Condemnation**. You will give us notice of any proposed taking through the exercise of the power of eminent domain within 10 days of your first knowledge of the proposed taking. If the Franchise Premises or a substantial part of it is to be taken, the Franchise Premises may be relocated within the Franchise Territory or elsewhere with our prior written approval. The relocated premises may not infringe on the protected rights of any other franchisee pursuant to our specifications and contractual obligations. Relocation must be completed and franchise business operations recommenced within a reasonable time after the closing of the initial Franchise Premises (but in any event, within one year after closing of the Franchise Premises). The new franchise location will become the Franchise Premises licensed under this Agreement. If a condemnation takes place and a new franchise location does not open within the timeframe prescribed above, then Franchisor may terminate this Agreement effective 30 days after written notice to you.

8.4 **Casualty**.

8.4.1 If the Franchise Premises is damaged by fire or other casualty, you will repair the damage as soon as commercially practicable. If the damage or repair requires the closing of the Franchise, you will:

A. immediately notify us;
B. repair or rebuild the Franchise Premises following our specifications; and
C. re-open the Franchise for continuous business operations as soon as commercially practicable (but in any event, within one year after closing of the Franchise Premises). You will give us not less than 30 days advance notice of the date of reopening.

8.4.2 If the Franchise Premises does not re-open within one year, then Franchisor may terminate this Agreement effective 30 days after written notice to you.

8.5 **Proceeds From Insurance**. The proceeds from any business interruption insurance you receive for lost revenue or profits will be included in Gross Revenue.

9 MISCELLANEOUS

9.1 **Notices**.

9.1.1 All notices required by this Agreement will be in writing. They may be sent by certified or registered mail, postage prepaid and return receipt requested. They may be delivered by Federal Express, or other reputable air courier service, requesting delivery with receipt on the next business day. They may be sent by e-mail (provided that the sender confirms the e-mail by sending an original confirmation copy by expedited delivery service or certified or registered mail within three business days after transmission). Notices will be delivered to you at the Franchise Premises, to us at our headquarters or to other locations specified in writing. Notices may be delivered and receipted to you personally at any location.

9.1.2 Notices sent by certified or registered mail will be deemed to have been delivered and received three business days following the date of mailing. Notices sent by Federal Express, or other reputable air courier service will be deemed to have been received one business day after placement requesting delivery on the next business day. Notices sent by e-mail will be deemed to have been delivered upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail as provided above).

9.2 **Business Name**. You will execute any documents we may direct, to be retained by us until this Agreement ends, to evidence that you abandon, relinquish, and terminate your right or interest you may claim in or to the Marks.

9.3 **Relationship of the Parties**.

9.3.1 Independent Contractor Relationship. You are and will remain an independent contractor. You and we are not and will never be considered joint venturers, partners, employees, or agents one for the other. Neither will have the power to bind nor obligate the other except as otherwise outlined in this Agreement. No representation will be made by either party to anyone that would create any apparent agency, employment, or partnership. Each will hold the other safe and harmless from each other's debts, acts, omissions, liabilities, and representations. You acknowledge that you are not in a fiduciary relationship with us.

9.3.2 Display. In all public and private records, documents, relationships, and dealings, you will show that you are an independent owner of the Franchise. You will prominently indicate on your letterheads, business forms, business cards, email signatures and similar mediums that you are our licensed franchisee by using language saying that you operate an independently owned franchise. You will prominently display, by posting of a sign within public view, on or in the Franchise Premises and on your business vehicle(s), a statement that clearly indicates that your franchise business is independently owned and operated by you as a franchisee and not as our agent.

9.3.3 Your Employees.

A. We will not directly control (hire, fire, schedule, direct, supervise, discipline, or set wages for) your employees.
B. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local labor laws and functions of the franchise business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, scheduling, supervision, and discipline of employees, paid or unpaid, full or part-time, and its independent consultants.
C. You will maintain employee records to show clearly that you and your employees are not our employees.
D. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits. You must display your entire business entity's name, not just the licensed brand, on your payroll checks.
E. You will indemnify, defend, and hold us legally harmless from any of your violations of federal, state or local labor laws or similar laws. You acknowledge that you have had ample opportunity to investigate these and other laws applicable to your business with your own independent legal counsel before signing this Agreement.
F. You must place a prominent, boldface statement at the top of your employee applications that the applicant is applying to work for you, not for us. We do not provide sample employment applications for your use with your employees. You should acquire such forms from independent sources of your choice.
G. We do not post job openings at your franchise on our website or otherwise. We do not coordinate the sharing of employees among franchisees.
H. We do not provide sample employee handbooks for your use with your employees. You should develop these with independent sources of your choice.
I. We do not impose any specific minimum staff size requirements for your franchise. We

may recommend optimal staff size and you must have sufficient staff to fulfill your obligations under this Agreement.

9.3.4 Email Accounts. You acknowledge that you will have no expectation of privacy in your business email accounts. If we do access such email accounts and their contents, it is solely for our benefit and not for your benefit. Such access is not for the purpose of assisting you with, or supervising, your business operations or workers. We will not have any obligation to monitor any of your email activity. You must include in your email signature in each email communication the following language or similar language as we may direct: "*[your corporate entity or individual name]* independently owns and operates this Biodynamic franchise."

9.4 **Waiver**. A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition. Any waiver of any provision of this Agreement must be set forth in writing and signed by the party granting the waiver. Customs or practices of the parties in variance with the terms of this Agreement will not constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Our delay, waiver, forbearance, or omission to exercise any power or rights arising out of any breach or default by you of any of the terms, provisions, or covenants of this Agreement, will not affect or impair our rights and will not constitute a waiver by us of any right or of the right to declare any subsequent breach or default. Our subsequent acceptance of any payment due to us will not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

9.5 **Time Is of the Essence**. Time is of the essence of this Agreement.

9.6 **Documents**. You and your owners, officers, and directors agree to execute and deliver any documents that may be necessary or appropriate during the term and upon expiration or termination of this Agreement to carry out the purposes and intent of this Agreement. Upon the expiration, termination or transfer of this Agreement, if you do not execute any document necessary in our judgment to comply with the requirements of this Agreement, then by this Agreement, you irrevocably nominate, constitute and appoint the person then serving as our President, Managing Member, LLC Manager or similar position as your attorney-in-fact to so execute that document in your name and on your behalf.

9.7 **Construction**.

9.7.1 Entire Agreement; Amendments. This document, including any exhibits attached to this Agreement and the documents referred to in this Agreement, will be construed together and constitute the entire agreement between the parties. Except as expressly and otherwise provided in this Agreement, this Agreement may be modified only by a written instrument signed by the parties. No previous communications, negotiations, course of dealing or usage in the trade not specifically set forth in this Agreement will be admissible to explain, modify, or contradict this Agreement. Nothing in the Agreement or in any related agreement is intended to disclaim the representations made in the franchise disclosure document.

9.7.2 Format. All words in this Agreement include any number or gender as the context or sense of this Agreement requires. The words "will", "shall", and "must" used in this Agreement indicate a mandatory obligation. In this Agreement, "including" means "including but not limited to" unless expressly stated otherwise. All captions and headings are for reference purposes only and are not part of this Agreement. The recitals set forth in this Agreement are specifically incorporated into and constitute a part of the terms of this Agreement.

9.7.3 Interpretation.

9.7.3.1 The rule of construction that a written agreement is construed against the party preparing or drafting such agreement will specifically not be applicable to the interpretation of this Agreement.

9.7.3.2 If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

9.7.3.3 If there is any typographical, word processing, printing or copying error in this Agreement, the error will be interpreted and corrected consistent with the following order of interpretation:

A. The content and expressed intent and exhibits of our franchise disclosure document previously delivered to you.
B. The content and expressed intent of franchise agreements we have executed with our other franchises within the same reasonable timeframe to this Agreement.

9.7.4 Severability. If any part of this Agreement is declared invalid, that declaration will not affect the validity of the remaining portion, which will remain in full force and effect as if this Agreement had been executed with the invalid portion omitted. Provided, however, that if Franchisor determines that the finding of invalidity materially and adversely affects the basic consideration of this Agreement, Franchisor may, at its option, terminate this Agreement.

9.7.5 Definition of "Including." In this Agreement, *including* means "including but not limited to" unless expressly stated otherwise.

9.8 **Additional Provisions Regarding Covenants**.

9.8.1 Your Acknowledgments. You acknowledge the following regarding the covenants in Section 5.6 (Confidential Information), Section 5.7 (In-Term Non-Competition Covenant), and 6.6 (Post-Termination Non-Competition Covenant): (1) the time, content and geographical restrictions are fair and reasonable; (2) your observance of the covenants will not cause you any undue hardship or impair your ability to obtain employment commensurate with your abilities; and (3) your knowledge of the System would cause our franchise system serious injury and loss if you use the knowledge to the benefit of a competitor or to compete with us or our franchisees.

9.8.2 Lawful Scope. If, for any reason, any provision set forth in Section 5.6 (Confidential Information), Section 5.7 (In-Term Non-Competition Covenant), 6.7 (Post-Termination Non-Competition Covenant), or any similar covenant in this Agreement exceeds any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The duration, geographic coverage and scope allowable by law or court of law shall apply to such Sections as if the resulting covenant were separately stated in this Agreement. You further acknowledge and agree that we will have the right, at our sole discretion, to reduce the scope of any of the aforementioned covenants. We may do so without your consent, effective immediately upon our written notice to you. You must comply with any covenant that pertains to you as we so modify it.

9.8.3 Liquidated Damages for Violation of Restrictive Covenants. The parties agree that Franchisor would not have an adequate remedy at law for any breach or nonperformance of the terms of the covenants

(each a "**Covenant**") in Section 5.6 (Confidential Information), Section 5.7 (In-Term Non-Competition Covenant), 6.6 (Post-Termination Non-Competition Covenant) or other similar covenants in this Agreement. Therefore, upon violation of a Covenant, Franchisee agrees to pay Franchisor the actual profit (defined as Gross Revenue minus direct costs) from each project that violates a Covenant as fair and reasonable liquidated damages, but not as a penalty. The parties acknowledge and agree that: (1) it would be difficult to calculate with certainty the amount of damage that Franchisor will incur upon the violation of a Covenant; (2) the liquidated damages specified in this subsection are only intended to compensate Franchisor for the damage that Franchisor will incur upon the violation of a Covenant, but not for any other breach of this Agreement by Franchisee or any other damages incurred by Franchisor, and all remedies applicable thereto remain available to Franchisor; and (3) if a court determines that this liquidated damages clause is unenforceable, then Franchisor may pursue all remedies available at law or in equity, including consequential damages.

9.9 **Dispute Resolution and Enforcement**.

9.9.1 Disputes. The mediation and arbitration provisions of this Agreement do not apply to controversies, disputes, or claims related to or based on (1) improper use of the Marks [including those based on the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.)] or any of the Franchisor's other intellectual property; (2) the violation by Franchisee (or any related individual or entity) of any of the restrictive covenants in this Agreement, which include but are not limited to restrictive covenants under the following sections of this Agreement: Section 5.6 (Confidential Information); Section 5.7 (In-Term Non-Competition Covenant); and Section 6.6 (Post-Term Non-Competition Covenant); or (3) collection of delinquent payments from you. The mediation and arbitration (if applicable) provisions of this Agreement shall apply to all other controversies, disputes, or claims between the parties (and/or their respective affiliates, owners, officers, directors, LLC managers, agents, guarantors, and/or employees) arising out of or related to: (a) this Agreement or any other agreement between Franchisee and Franchisor; (b) the franchise relationship between Franchisor and Franchisee; (c) the offer and sale of the Franchise; (d) the validity of this Agreement or any other agreement between Franchisee and Franchisor; or (e) any System standard (referred to herein as "**Disputes**").

9.9.2 Mediation. Before taking any other legal action, the parties agree to participate in good faith mediation in accordance with the mediation procedures of Arbitration Service of Portland, Inc. or of any similar organization that specializes in the mediation of commercial business disputes. The party demanding mediation must provide written notice to the other party of the demand for mediation. If the other party does not respond to the mediation demand within 30 days of written notice, or indicates a refusal to participate in mediation, then the party providing notice may proceed with other forms of dispute resolution. The parties agree to equally share the costs of mediation. Injunctive relief and or claims of specific performance sought pursuant to or authorized by this Agreement, are not subject to, nor can be avoided by, the mediation terms of this Agreement, and may be brought in any court of competent jurisdiction.

9.9.3 Binding Arbitration. If the parties are unable to resolve a Dispute by mediation as provided above, then such Disputes are subject to binding arbitration. The following provisions will apply to such arbitration:

A. Arbitration will be administered by Arbitration Service of Portland, Inc. in accordance with its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Arbitration will be before a single arbitrator. To the extent reasonably practicable, the arbitrator will be required to have at least five years of experience in franchise law.

B. The arbitrator will have power and jurisdiction to decide the controversy or dispute solely according to the express provisions of this Agreement. The arbitrator may not alter, amend, delete, or add to the provisions of this Agreement by implication or otherwise.

C. The provisions of this Section 9.8.2 (Binding Arbitration) will be construed as independent of any other covenant or provision of this Agreement; provided that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law. Notwithstanding any provision of this Agreement relating to the laws under which this Agreement will be governed by and construed under, all issues relating to its appropriateness for arbitration or the enforcement of the agreement to arbitrate contained in this Agreement will be governed by the Federal Arbitration Act (9 U.S.C. §1 et seq.) and the federal common law of arbitration.

D. The arbitrator will be bound by a confidentiality clause with respect to the Franchisor's Confidential Information.

9.9.4 Injunctive Relief and Specific Performance. No provision in this Agreement will limit either party's right to seek and obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement. Without limiting the generality of the foregoing, you acknowledge that any violation by you of the covenants in Section 5.6 (Confidential Information), Section 5.7 (In-Term Non-Competition Covenant), Section 6.6 (Post-Termination Non-Competition Covenant), or similar covenants in this Agreement would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of such covenants. We will not be required to post a bond as a condition for the granting of injunctive relief.

9.9.5 Governing Law. This Agreement is accepted by us in the State of Washington and will be governed by the substantive laws of Washington without regard to Washington choice of law provisions. Following are exceptions to this choice of laws provision:

A. Washington laws will not prevail to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.).

B. Any law of the State of Washington that regulates the sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

C. No antitrust, implied covenant, unfair competition, fiduciary, or any similar doctrine of law statute, law or regulation of Washington (or any other state) is intended to be made applicable to this Agreement unless it would otherwise apply absent this paragraph.

The foregoing will not be construed as a waiver of any of your rights under any applicable franchise registration, disclosure or relationship law of another territory, state or commonwealth.

Any portion of this Agreement that requires enforcement in any other state, and is enforceable under the laws of that state but not of Washington, will be construed and enforced according to the laws of that state.

9.9.6 Venue. All controversies, disputes, or claims related or arising from this Agreement or the relationship between the parties will be mediated, arbitrated, tried, heard, and decided (as applicable) in the county in which our headquarters are then located (currently Clark County, Washington) or the nearest Federal District Court, which the parties agree is the most convenient venue for these purposes. The parties acknowledge and agree that this location for venue is reasonable and the most beneficial to the needs of,

and best meets the interest of, all of the members of Franchisor's franchise system.

9.9.7 Attorneys' Fees. The prevailing party in any arbitration, insolvency proceeding, bankruptcy proceeding, suit, or action to enforce this Agreement will recover its arbitration, proceeding, and court costs and reasonable attorneys' fees. These will be set by the arbitration, proceeding or court, including costs and attorneys' fees on appeal or review from the arbitration, proceeding, suit, or action. Prevailing party means the party who recovers the greater relief in the proceeding.

9.9.8 Waivers of Certain Kinds of Damages. YOU HEREBY WAIVE ANY AND ALL CLAIMS FOR PUNITIVE, INDIRECT, SPECIAL, GENERAL, INCIDENTAL, CONSEQUENTIAL, OR SIMILAR TYPES OF DAMAGES AGAINST US OR ANY OF OUR OWNERS, OFFICERS, DIRECTORS, LLC MANAGERS, AGENTS, REPRESENTATIVES, AFFILIATES, PARENTS, SUBSIDIARIES, AND EMPLOYEES.

9.9.9 Remedies. No right or remedy conferred upon us is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy. The following provisions are in addition to all other remedies available to us at law or in equity:

A. We may employ legal counsel or incur other expense to collect or enforce your obligations or to defend against any claim, demand, action or proceeding because of your failure to perform your obligations. Legal action may be filed by or against us and that action or the settlement of it may establish your breach of this Agreement. If either event occurs, we may recover from you the amount of our reasonable attorneys' fees and all other expenses we incur in collecting or enforcing that obligation or in defending against that claim, demand, action or proceeding.

B. You agree that the existence of any claims you may have will not constitute a defense to the enforcement by us of any of the covenants of this Agreement related to confidentiality and non-competition.

C. If you materially breach any of the terms of this Agreement, we have the right to appoint a receiver to take possession, manage and control assets, collect profits, and pay the net income for the operation of the Franchise as ordered by a court of jurisdiction. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists, and without the necessity of notice to you.

D. If you materially breach any of the terms of this Agreement, you irrevocably nominate, constitute and appoint the person serving as our President, Managing Member, LLC Manager or similar position to be your attorney-in-fact so to act in your name and on your behalf.

E. If you materially breach any of the terms of this Agreement, or upon expiration or termination of this Agreement, at our election and without waiving any claims for default or breach and without prior notice to you or resort to legal process, we may enter upon any premises using the reasonable force as is necessary in the circumstances, without being guilty of trespass or liable to you or the property owner for the entry, for the purposes of securing the return of our property, the performance of your obligations of discontinuance and the protection of our rights.

F. We will have the option (but not the obligation) to cure your breaches at your expense.

G. If Franchisee breaches any of the terms of this Agreement, and Franchisor delivers to Franchisee a notice of default, Franchisor has the right to suspend its performance of any of its obligations under this Agreement including, without limitation, the sale or supply of any products or services for which Franchisor is an approved supplier to Franchisee, until such time as Franchisee corrects the breach.

H. If any payments to us, our affiliates or approved vendors are late by more than 15 business days, we may order all product deliveries withheld from you until the payments are received.

9.10 **Cross-Defaults**. If you, any of your owners, officers or key employees, any entity with majority common ownership to you (if you are an entity), or any entity you own violate any material provision of any other franchise or similar agreement with us, that breach will be considered a breach of this Agreement and of the other agreements. We then may terminate or otherwise enforce this Agreement and the other agreements.

9.8 **Successors and Assigns**. This Agreement benefits and binds the respective heirs, executors, administrators, successors, and permitted assigns of the parties. Except as provided in the immediately preceding sentence, the parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third party will have the right to claim the benefit of any provision of this Agreement as a third-party beneficiary of that provision.

9.9 **Counterparts and Electronic Signatures**. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will constitute an original. Execution of this Agreement via DocuSign or another reputable e-signature services shall constitute valid and legally binding execution.

9.13 **Withholding Consent**. Our consent, whenever required by this Agreement, will be at our sole and absolute discretion unless expressly stated otherwise herein and may be withheld if you are in breach of this Agreement. In this Agreement, the phrase "at our discretion" or similar wording shall mean "at our sole and absolute discretion."

9.14 **Joint and Several Liability**. If, at any time during the term of this Agreement, the Franchisee consist of two or more persons or entities (whether acting in partnership or otherwise and whether or not all have signed this Agreement), the rights, privileges and benefits granted to Franchisee in this Agreement may only be exercised and enjoyed jointly, and Franchisee's obligations, liabilities and responsibilities under this Agreement will be joint and several obligations of each such person and entity. However, Franchisor may, at its option, rely on the direction, consent, waiver or other action of any one such person or entity and any such direction, consent, waiver or other action will bind all such persons and entities.

You will be responsible for any breach of this Agreement by your owners, board of directors, LLC managers, employees and agents. Such a breach will be deemed a breach by you.

9.15 **Personal Guaranty**. If you are a business entity, all of your owners (and principal officers, if we so require) must either sign this Agreement as direct parties or sign a personal guaranty in a form we specify at the time this Agreement is signed. This constitutes a material obligation under this Agreement.

9.16 **Force Majeure**. In the event that either party shall be delayed, hindered in, or prevented from the performance of any act required under this Agreement by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of utilities, restrictive governmental laws or regulations, riots, insurrection, war, epidemic or pandemic, Acts of God, or any reason of a like nature, not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement, then performance of such act shall be excused for the period of such delay; provided that the provisions of this section shall not operate to excuse you from timely payment of any monetary obligations under this Agreement.

9.17 **We May Investigate**. We may conduct investigations and make inquiries of any person or persons we, in our reasonable judgment, believe appropriate concerning the credit standing, character, and professional and personal qualifications of you and your owners, officers, directors, LLC managers, and persons occupying similar positions or performing similar functions. You authorize us to conduct these investigations and to make these inquiries. We agree to comply with the requirements of laws that apply to these investigations and inquiries.

9.18 **Your Additional Representations and Acknowledgments**. You make the following representations and acknowledgments to us:

9.18.1 You Have Read and Understand this Agreement. You have read and understand this Agreement. You understand and accept the terms, conditions and covenants contained in this Agreement. They are necessary to maintain our high standards of quality, service and uniformity at all franchises. They protect and preserve the goodwill of the Marks and the confidentiality and value of the System. You have had, or have had the opportunity to have, this Agreement reviewed by your attorney and other professional advisors of your own choosing regarding all pertinent aspects of this Franchise and the franchise relationship created by this Agreement. You believe you have made a good decision for yourself (or your partners or your business entity) based upon what you believe is your ability to run and control a business of your own.

9.18.2 Varying Forms of Agreement. You are aware that some present and future Biodynamic franchisees may operate under different forms of agreement and, consequently, that our obligations and rights in respect to our various present and future franchisees may differ materially in certain circumstances.

9.18.3 Speculative Success. The success of your franchise is speculative and depends, to a large extent, upon your ability as an independent businessperson. You recognize that the business venture contemplated by this Agreement involves business risks. We do not make any representation or warranty, express or implied, as to the potential success of the Franchise.

9.18.4 Independent Investigation. You have entered this Agreement after conducting an independent investigation of us and of the franchise we offer. You have not relied upon any representation as to gross revenues, volume, cost savings, potential earnings or profits which you in particular might realize. Except as outlined in Item 19 of our franchise disclosure document, we expressly disclaim the making of, and you acknowledge that you have not received, any representation, warranty, or guarantee, express or implied, concerning the potential revenues, cost savings, volume, profits, or success of the business venture contemplated by this Agreement. You acknowledge that neither we, nor any of our officers, directors, shareholders, employees, agents or servants, made any other representation about the business contemplated by this Agreement or that are not expressly set forth in this Agreement or our franchise disclosure document to induce you to accept this Franchise and execute this Agreement. Any oral representations made by our representatives to you, whether or not set forth in earlier versions of our standard form franchise agreement, have either been ratified by us by including the representations in this document or have been disavowed by excluding them from this Agreement.

9.18.5 No Review of Business Plans or Loan Applications. Prior to your execution of this Agreement, we have not given you any advice or review of any of your business plans or third-party loan applications related to your purchase of and proposed operation of the Franchise. We do not receive or review business plans and loan applications before a franchisee signs the relevant franchise agreement. We have strongly recommended that you retain and work with your own independent accountant and financial advisors to fully review all financial aspects of your potential franchise investment for you. You

acknowledge that we will not provide financial assistance to you and that we have made no representation that we will buy back from you any products, supplies, or equipment you purchase in connection with your franchise.

9.18.6 Your Location and Market Area. You acknowledge that we will not provide or designate locations for you. You have investigated the potential of the market area in which you are to establish and operate your franchise business and the laws and applicable regulations. You agree and represent that that market area is reasonable and the Initial Franchise Fee represents fair consideration for the opportunity to establish and operate a Biodynamic franchise.

9.18.7 Health and Full-Time Participation. You acknowledge that a Biodynamic business involves hard work and sometimes long hours, similar to most small businesses that are owner operated. We have not represented that this business is going to be easy for you, your partners, officers or directors. You represent that you or your principals are able to devote your best efforts in the operations of your Franchise and/or that you have the business management skills necessary to successfully hire a general manager to run the day-to-day operations of your Franchise (to the extent permitted by this Agreement).

9.18.8 Terrorism, Convictions, Immigration Status. You represent to us, unconditionally without reservation, that:

A. Neither you, nor any of your owners, officers or employees, nor any of their respective spouses, children, or parents, nor anyone who has an interest in or who will manage the franchise, nor any of your affiliated entities ("**Interested Party(ies)**"): supports terrorism; provides money or financial services to terrorists; receives money or financial services from terrorists; or is engaged in terrorism, or any activity, organization, or plan with a terrorist. For purposes of this Agreement, "terrorist(s)" includes any person or organization on any current U.S. government list of persons and organizations that support terrorism as provided by law. You represent that neither you nor any Interested Party is on any such list(s).

B. Neither you nor any Interested Party has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and each is eligible under applicable U.S. immigration laws to communicate with, lawfully reside in, and travel to the United States to fulfill your obligations under your agreements with us.

C. You and all Interested Parties are in the United States lawfully, have legal residence in the United States, and are lawfully permitted to work in the United States.

9.18.9 No Guarantee of Income or Refund if Not Satisfied. Without limiting the generality of the foregoing, you acknowledge that we have not guaranteed that you will derive income from the Franchise that exceeds the price you paid for the Franchise; or that we will refund all or part of the price you paid for the Franchise, or repurchase any of the products, equipment, supplies or chattels supplied by us (as applicable), if you are unsatisfied with the Franchise.

9.19 **Security Interests**. Subject to applicable state law, you grant to us a security interest in all tangible and intangible assets of the Franchise (and products, proceeds, and profits of them) as security for your obligations under this Agreement (and its attachments, including the promissory note if applicable). This includes, without limitation, furniture, fixtures, equipment, supplies, inventory, leasehold interests, leasehold improvements, appliances, contract rights, accounts receivable, deposit accounts, customer lists/information/accounts, telephone numbers, websites, domain names, social media accounts, books and records, general intangibles, money, instruments, chattel paper, documents, business name and other intellectual property, together with all after-acquired property, accessories, substitutions, additions,

replacements, parts and accessions affixed to or used in connection therewith and the proceeds, products, rents, and profits of all the foregoing, and under any other business name you may use and wherever you may locate the assets of the business. (To clarify, the foregoing sentence does not: (1) permit you to do business in connection with your Franchise using any marks other than the Marks licensed to you hereunder; (2) relocate the Franchise Premises or assets without our prior approval as required hereunder; or (3) permit you to operate a competing business during or after the term of this Agreement in violation of any covenants hereunder.)

If you own the Franchise Premises, you will not mortgage, pledge, or otherwise assign as security the premises during the term of this Agreement without our prior written approval.

You agree that we may prepare and file all instruments or documents necessary to consummate or perfect any such security interest, including a UCC Financing Statement. Upon request, you will execute and file such instruments or documents as needed. You acknowledge that we may file a copy of this Agreement as a financing statement for that purpose.

[SIGNATURES APPEAR ON THE NEXT PAGE.]

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

Franchisor: BLACK BUCK FRANCHISING, LLC

By: _____

Print Name: _____

Title: _____

Franchisee:

IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER ENTITY: THIS AGREEMENT MUST BE SIGNED BY A COMPANY OFFICER OR OWNER AUTHORIZED TO SIGN ON BEHALF OF THE COMPANY. ADDITIONALLY, THE AGREEMENT OR A SEPARATE PERSONAL GUARANTY MUST BE SIGNED BY ALL OWNERS (AND PRINCIPAL OFFICERS, IF WE SO REQUIRE) OF THE COMPANY AS INDIVIDUALS.

Name of Corporation/LLC/Partnership: _____

By: _____ Title: _____

Individual Signature: _____

Print Name: _____

Individual Signature: _____

Print Name: _____

Individual Signature: _____

Print Name: _____

EXHIBIT 1
to
FRANCHISE AGREEMENT

TYPE OF FRANCHISE, FRANCHISE PREMISES, AND TERRITORY

Type of Franchise. If applicable, in addition to the standard Franchise you are adding the following disaster restoration and/or niche industrial services to your Franchise (effective only if initialed by both parties and if you pay the applicable additional Initial Franchise Fee):

Initials of the Parties	**Summary Description of Add-on Service**
_____ / _____	Water damage restoration
_____ / _____	Fire damage restoration
_____ / _____	Dry ice blasting
_____ / _____	Laser ablation
_____ / _____	Contents restoration and storage
_____ / _____	Bioremediation
_____ / _____	Duct cleaning services
_____ / _____	Subscription cleaning services.

Franchise Premises. The Franchise Premises is located at the following address *(this blank will be completed by us once the Franchise Premises has been approved if not approved at the time of signing the Franchise Agreement)*:

_____.

Franchise Territory. The Franchise Territory is defined as follows *(this blank will be completed by us once the Franchise Territory has been designated if not designated at the time of signing the Franchise Agreement)*:

_____.

[Attached is a map delineating the Franchise Territory.]

* * *

Search Area. If either the Franchise Premises or the Franchise Territory has not been determined when this Agreement is executed, you are responsible for selecting the site for your Franchise Premises within the following "**Search Area**":
_____.

Franchisor does not grant territorial protections or exclusivity in the Search Area. Franchisor does grant certain territorial protections in the Franchise Territory as described in the Franchise Agreement

Miscellaneous. The Franchise Territory and your franchise site must be in the United States of America, legally available pursuant to state and federal franchise and business opportunity disclosure and registration laws and pursuant to our contractual commitments (including those with our other franchisees) and in compliance with our franchise placement, market development and demographic criteria.

Except as specifically outlined or forbidden in the relevant Franchise Agreement, there are no understandings oral or written concerning the future placement of outlets by any party and concerning any territory protections granted to you.

EXHIBIT 2
to
FRANCHISE AGREEMENT

LEASE ADDENDUM

This Lease Addendum has been entered this _____ day of _____, 20____. It is by and between _____ ("***Landlord***") and _____ (jointly and severally "***Tenant***").

Landlord and Tenant are parties to that certain commercial real property lease dated _____, 20____ (the "***Lease***") by which Tenant leased from Landlord real property for Tenant's operations of a Biodynamic franchise at the following location: _____ (the "***Franchise Premises***").

On or about _____, 20___, Tenant and BLACK BUCK FRANCHISING, LLC (the "***Franchisor***") executed a franchise agreement (the "***Franchise Agreement***") for Tenant to operate a Biodynamic franchise at the Franchise Premises.

Landlord and Tenant desire to execute this addendum to the Lease to give Franchisor certain rights to the Franchise Premises as required by the Franchise Agreement.

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1. **Use of Franchise Premises**. Landlord acknowledges and agrees that the Franchise Premises may be used only for the operation of a Biodynamic facility. Landlord permits Tenant to use and display the following service marks, trademarks, and commercial logos: Biodynamic and all other marks that Franchisor has developed or develops in the future for a Biodynamic facility.

2. **Landlord Reports and Disclosures to Franchisor**. Tenant acknowledges and agrees that Landlord may, upon Franchisor's written request, disclose to Franchisor all reports, information, or data in Landlord's possession respecting sales made in, upon, or from the Franchise Premises and Tenant's business operations.

3. **Assignment to Franchisor**. Anything contained in the Lease to the contrary notwithstanding, Landlord agrees that without Landlord's consent, the Lease and Tenant's right, title and interest, may be assigned by Tenant to Franchisor, without cost or penalty. Without the need for additional consent from Landlord or Tenant, Franchisor (or Franchisor's designee) will have the right, at Franchisor's election, to assume the Lease and the leasehold interest in the Franchise Premises, upon termination or expiration of Tenant's Lease or Franchise Agreement. This option may be exercised by Franchisor within 30 days of such termination or expiration by Franchisor's delivery of written notice of the same to Landlord. Upon such assignment, Franchisor (or its designee) shall not assume obligations and liabilities of Tenant arising before the date of assignment as such obligations and liabilities will remain with Tenant.

4. **Franchisor's Interim Management Rights**. To protect the Franchisor's system, trademarks, confidential information, and the goodwill associated with the same, Franchisor may (but is not obligated to) assume interim management of the Franchise at the Franchise Premises for any of the reasons outlined in the Franchise Agreement. If Franchisor elects to assume interim management of the Franchise, then with respect to Tenant, the provisions in the Franchise Agreement regarding Franchisor's interim management

will apply. If Franchisor elects to assume interim management of the Franchise, then with respect to Landlord, (i) Franchisor will not assume any liability or obligations under the Lease (including but not limited to Tenant's rent payment obligations) and (ii) Franchisor's interim management of the Franchise will not be deemed an assignment to Franchisor of the Lease or any sublease.

5. **Tenant's Default; Notice to Franchisor**. Landlord will give written notice to Franchisor (concurrently with the giving of notice to Tenant) of any breach by Tenant under the Lease. Franchisor will have the right (but not obligation), in Franchisor's sole discretion, to cure any breach at Tenant's expense within 15 business days after the expiration of the period in which Tenant had to cure the default. Notice will be sent to the following address, or to the address Franchisor may, from time to time, specify in writing to Landlord:

BLACK BUCK FRANCHISING, LLC
6705 NE 79th Court, Suite #1
Portland, OR 97218

6. **Franchise Premises De-identification**. Upon termination, expiration, or non-renewal of the Lease or Franchise Agreement, Landlord authorizes Tenant to de-identify the Franchise Premises in compliance with the Franchise Agreement. If Tenant fails to do so, Landlord gives Franchisor the express right to de-identify the Franchise Premises. For example, de-identification may consist of removal of all signs; repainting as necessary to no longer use the color scheme used by Franchisor; and any other steps necessary (in Franchisor's reasonable discretion) to effectively distinguish the Franchise Premises from Franchisor's proprietary designs, marks, and trade dress.

7. **Renewal, Extension, or Cancellation of the Lease**. Landlord will not extend, renew, or cancel the Lease without Franchisor's prior written consent, which consent will not be unreasonably withheld.

8. **Third Party Beneficiary**. Tenant and Landlord acknowledge and agree that Franchisor is a third-party beneficiary of this Addendum, and Franchisor is entitled to all rights and remedies conferred upon Franchisor under this Addendum (which Franchisor may enforce directly against Tenant or Landlord, with or without the consent or joinder of Tenant). Notwithstanding anything contained in this Addendum, Franchisor will have no liability under the Lease or this Addendum unless Franchisor expressly enters into a written agreement with Landlord.

IN WITNESS, the parties have executed this Addendum on the day and year first above written.

Landlord: _____

Signed By: _____

Printed Name: _____

Title: _____

Tenant: _____

Signed By: _____

Printed Name: _____

Title: _____

EXHIBIT 3
to
FRANCHISE AGREEMENT

MULTIPLE FRANCHISE PURCHASE ADDENDUM

This Multiple Franchise Purchase Addendum ("***Addendum***") is entered into as of _____, 20___, between BLACK BUCK FRANCHISING, LLC, a Washington limited liability company ("***we/us***"), and _____ and _____ ("***you***").

1. **Simultaneous Multiple Franchise Purchase**. The parties have contemporaneously executed ***[#]*** Franchise Agreements, including this Agreement, as part of a multiple franchise purchase.

2. **Development Area**. You are responsible for selecting the sites for your Franchise Premises within the following "***Development Area***":

_____
_____
_____
_____

Subject to our reservations of rights in the Franchise Agreement, we will not establish or allow others to establish a Biodynamic business physically located within your Development Area using our Marks and System so long as the Franchise Agreements and corresponding Multiple Franchise Purchase Addenda are in force and you are not in default in any material provision of any such agreement. Upon termination of expiration of this Addendum (under Section 8 below), your rights with respect to the Development Area will automatically terminate.

3. **Franchise Premises and Franchise Territory**. The Franchise Territory for each franchise will be designated by us before you open each relevant Franchise Premises. The Franchise Territory and your Franchise Premises must be in the United States of America, legally available pursuant to state and federal franchise and business opportunity disclosure and registration laws and pursuant to our contractual commitments (including those with our other franchisees) and in compliance with our franchise placement, market development and demographic criteria.

4. **No Other Understandings**. Except as specifically outlined or forbidden in the relevant Franchise Agreement, there are no understandings oral or written concerning the future placement of outlets by any party and concerning any territory protections granted to you.

5. **Franchise Opening Schedule**. You will commence in good faith to perform your obligations under the relevant franchise agreements and commence full and continuous operation of the relevant Franchise within the following time periods after execution of this Agreement (the "***Development Schedule***"):

END OF DEVELOPMENT PERIOD	NEW FRANCHISES TO BE OPENED DURING DEVELOPMENT PERIOD	CUMULATIVE NUMBER OF FRANCHISES TO BE OPENED AND CONTINUOUSLY OPERATED
First Franchise: Within 6 Months of Franchise Agreement Effective Date	1	1
Second Franchise: Earlier of 6 Months After Opening First Franchise or 6 Months After Deadline for Opening First Franchise	1	2
Third Franchise: Earlier of 6 Months After Opening Second Franchise or 6 Months After Deadline for Opening Second Franchise	1	3

Time is of the essence of this Development Schedule. To clarify, the Development Schedule set forth above is in lieu of the opening and mandatory training deadlines set forth in the Franchise Agreements contemporaneously executed with this Addendum.

6. **Payment of Initial Franchise Fees**. You shall pay 100% of the Initial Franchise Fee for the first Franchise and 50% of the Initial Franchise Fees for each additional Franchise at the time you contemporaneously sign the multiple Franchise Agreements. You will pay the 50% unpaid balance of the initial franchise fees under the relevant franchise agreements before the opening of each relevant Franchise, but in any event you will pay the balance within one year of the date of the Franchise Agreement. The Initial Franchise Fees we collect are not refundable under any circumstances.

7. **Training for First Franchise**. We will have no obligation to provide franchise training to you at our expense except for the first Franchise you open.

8. **Termination and Expiration**. This Addendum will expire at the earlier of the following: (1) the opening of your last Franchise under your Development Schedule; or (2) the termination of this Addendum under to the terms and conditions of this Addendum or the Franchise Agreement. We will have the right to terminate this Addendum if we have the right to terminate any agreement between you and us (or our affiliate) in the future. If you do not comply with this Addendum, including but not limited to the Development Schedule, we will have the right to reduce the size of (or change) your Development Area or terminate this Addendum and any of your Franchise Agreements representing Franchises that have not yet opened for business. Such termination will be effective upon written notice to you. Thereafter, we and our affiliates will have the right to operate or grant to others the right to operate outlets within the Development Area. However, your Franchise Agreement(s) and Territory(ies) for each of your operating Franchises will remain in force. Any failure to meet the Development Schedule caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control (not including financial circumstances) will be excused for a period of time that we deem reasonable under the circumstances.

9. **Defined Terms**. All terms contained in this Addendum that are not defined in this Addendum will have the meaning ascribed to them in the Franchise Agreement.

("we/us"): **BLACK BUCK FRANCHISING, LLC**

By: _____

Print Name: _____

Title: _____

(jointly and severally "you"):

Name of Corporation/LLC/Partnership: _____

By: _____ Title: _____

Individual Signature: _____

Print Name: _____

Individual Signature: _____

Print Name: _____

EXHIBIT 3
to
FRANCHISE AGREEMENT

FORM OF PROMISSORY NOTE
(for financing of the Initial Franchise Fee, if applicable)

[$_____] *[_____, 20___]*
[City/State]

FOR VALUE RECEIVED, *[_____]* ("***Maker***") promises to pay to the order of BLACK BUCK FRANCHISING, LLC, a Washington limited liability company ("***Holder***") (or its designee), the principal sum of *[$_____]* in lawful money of the United States, with interest thereon beginning on the date of this Note at the rate of *[___%]* per annum, until fully paid. Principal and interest shall be paid in monthly installments of not less than *[$_____]* per month, with the first installment due 30 days after the date of this Note and subsequent installments due on the same day of each month thereafter *[on the ___ day of each subsequent month]* for a period of *[#]* months until the entire principle balance and accrued interest has been paid in full. Unpaid principal and accrued interest may be prepaid in whole or in part at any time without premium or penalty. All payments shall be applied first to interest accrued to the date of payment and then to principal.

Late Charges and Administration Fees. A late charge of 18% per annum will be added to any sums to be paid under this Agreement that remain unpaid after the date due. In addition, late payments will be subject to a late payment administration fee of 5% of the amount due.

Default Rights. In addition to the late charges and late payment administration fees described above, if any payment due pursuant to this Note is not made when due, then Holder may provide written notice to Maker of its intent to call due the entire indebtedness represented by this Note. If Maker does not pay the past due payment within 10 calendar days of receipt of this written notice from Holder (or if Maker receives two or more such notices during the term of this Note, even if payments are made pursuant to the notices), then at the option of the Holder the entire indebtedness represented by this Note will become due and payable. Failure or delay of the Holder to exercise this option shall not constitute a waiver of the right to exercise the option in the event of subsequent default or in the event of continuance of any existing default after demand for the performance of the terms of this Note.

Expenses and Attorney Fees. The undersigned shall pay upon demand any and all expenses, including reasonable attorney fees, incurred or paid by the holder of this Note without suit or action in attempting to collect funds due under this Note. In the event an action is instituted for the collection of this Note, the prevailing party shall be entitled to recover, at trial or on appeal, such sums as the court may adjudge reasonable as attorney fees, in addition to costs and necessary disbursements.

Governing Law and Venue. This Note will be governed by the laws of the State of Washington without regard to its conflict of law provisions. The venue for any legal action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Note will be Clark County, Washington.

Waivers and Consents. The undersigned and their successors and assigns hereby waive presentment for payment, notice of dishonor, protest, notice of protest, and diligence in collection, and consent that the time of payment on any part of this Note may be extended by the holder without otherwise modifying, altering, releasing, affecting, or limiting their liability.

Usury Savings Clause. In no event, whether by reason of acceleration of maturity of the indebtedness evidenced by this Note or otherwise, shall the amount paid or agreed to be paid to the Holder which is deemed interest under applicable law exceed the maximum permitted rate of interest under applicable law (the "***Maximum Permitted Rate***"). In the event that fulfillment of any provision of this Note results in the rate of interest charged hereunder being in excess of the Maximum Permitted Rate, that obligation to be fulfilled shall automatically be reduced to eliminate such excess. If, notwithstanding the foregoing, the holder of this Note receives an amount which under applicable law could cause the interest rate hereunder to exceed the Maximum Permitted Rate, the portion thereof which would be excessive shall automatically be applied to and be deemed a prepayment of the unpaid principal balance of this Note and not a payment of interest.

***Maker*:**

[_____]

By: _____

Title: _____

Personally:

[Signed: _____]

Exhibit C to Biodynamic Franchise Disclosure Document

LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

The following table reflects our agents for service of process and the relevant state franchise authorities. We may not be registered to offer and sell franchises in all of these states:

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
CALIFORNIA	California Commissioner of Financial Protection and Innovation: Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 Sacramento: 2101 Arena Boulevard Sacramento, California 95834-2036 San Diego: 1455 Frazee Road, Suite 315 San Diego, CA 92108 San Francisco: One Sansome Street, Suite 600 San Francisco, CA 94105-2980 Toll-Free Number: 1-866-275-2677	California Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 Toll-Free Number: 1-866-275-2677
CONNECTICUT	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232
FLORIDA	[Not Applicable]	Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, Florida 32399-0800 (850) 922-2770
HAWAII	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (312) 814-3892

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
INDIANA	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
IOWA	[Not Applicable]	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, Iowa 50319-0066 (515) 281-4441
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottowa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
NEBRASKA	[Not Applicable]	Staff Attorney Department of Banking and Finance 1200 N Street Suite 311 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445
NEW YORK	Secretary of State 99 Washington Avenue Albany, NY 12231	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222
NORTH DAKOTA	North Dakota Securities Commissioner Fifth Floor 500 East Boulevard Bismarck, ND 58505	Franchise Examiner Office of Securities Commissioner 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
OREGON	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Franchise Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
RHODE ISLAND	Director of Rhode Island Department of Franchise Regulation Division of Securities Suite 232 Providence, RI 02903 (401) 222-3048	Associate Director and Superintendent of Securities Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563
TEXAS	[Not Applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	Ryan C. Combe Registered Agent 2181 Combe Road Ogden, Utah 84403	Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South P.O. Box 45804 Salt Lake City, Utah 84145-0804 (801) 530-6601
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760	Administrator Dept. of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street, NW Washington, D.C. 20580 (202) 326-3128

Exhibit D to Biodynamic Franchise Disclosure Document

CONDITIONAL ASSIGNMENT

_____ ("you") operate your franchise business at _____. In consideration of the granting of a franchise to you and other valuable consideration given by **BLACK BUCK FRANCHISING, LLC**, a Washington limited liability company ("we/us"), you assign to us all of the following to the extent they relate to the franchise or include our brand: business telephone numbers; business telephone and internet listings; websites, website addresses, and domain names; social media accounts and content; and business email addresses and accounts. The immediately preceding sentence does not grant you rights beyond those expressly granted by the franchise agreement or our franchise operations manual. We will hold this assignment, and will deliver it to interested third parties, only upon expiration or termination of the Franchise Agreement between us and you dated _____.

DATED _____.

("we/us"): **BLACK BUCK FRANCHISING, LLC**

By: _____

Title: _____

(jointly and severally "you"):_____

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

Name of Corporation/LLC/Partnership: _____

By: _____ Title: _____

Exhibit E to Biodynamic Franchise Disclosure Document

CANCELLATION OF ASSUMED BUSINESS NAME

Pursuant to the provisions of relevant state laws concerning the registration and use of assumed or fictitious business names, the undersigned applicant, being a franchisee of BLACK BUCK FRANCHISING, LLC, submits the following to evidence its intent to abandon, relinquish and terminate its right to use the business name "**Biodynamic**":

1. Name of Applicant who is Using the Assumed or Fictitious Business Name:

   _____
   _____

   a(an) individual/partnership/corporation organized and doing business under the laws of the State of

   _____

2. Date When Original Assumed or Fictitious Business Name was Filed by Applicant:

   _____

3. Address of Applicant's Registered Office in the State of: _____

   _____
   _____
   _____

4. Please cancel the Applicant's registration to use the name **Biodynamic.**

DATED: _____

Applicant:

Company Name: _____

By: _____

Name: _____

Title: _____

Date: _____

Exhibit F to Biodynamic Franchise Disclosure Document

AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER

BLACK BUCK FRANCHISING, LLC
6705 NE 79th Court, Suite #1
Portland, OR 97218
503-828-2520

I (we) hereby authorize BLACK BUCK FRANCHISING, LLC (the "Company") to initiate Electronic Funds Transfer charges to my (our) bank account (indicated below) for payment of my (our) monthly Royalty and Brand Development Fees owed by me (us) to the Company on or near the 5th day of each month (or such other dates as the Company may reasonably prescribe in its Franchise Operations Manual). This Authorization will remain in full force and effect until Company receives written confirmation of termination of this Authorization via certified letter.

Financial Institution Name: _____

Account Number: _____

Branch Name: _____

Address: _____

City:_____ State:_____ ZIP:_____

I further certify that I have received a copy of the Authorization for my files.

Company Name: _____

By: _____

Name: _____

Title: _____

Individuals:

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

Effective Date: _____

[FORM CONTINUES ON THE FOLLOWING PAGE.]

Please attach a voided blank check for verification purposes.

[VOIDED CHECK]

Exhibit G to Biodynamic Franchise Disclosure Document

LISTS OF CURRENT AND CERTAIN FORMER FRANCHISEES

As of June 30, 2024 and the issuance date of this disclosure document: None

~~[Intentionally left blank]~~

Exhibit H to Biodynamic Franchise Disclosure Document

FORM OF GENERAL RELEASE

The Franchise Agreement provides that the franchisee must sign a general release in a form satisfactory to the franchisor in certain circumstances, such as upon transfer or renewal of the franchise. Following is a form of General Release that is subject to change.

FORM OF GENERAL RELEASE

This General Release Agreement ("Agreement") is made this ____ day of _____, 20____. It is among BLACK BUCK FRANCHISING, LLC ("Franchisor"), _____ and _____ (jointly and severally "Franchisee") and _____ and _____ (jointly and severally "Transferee").

RECITALS

On or about ____ day of _____, 20___, Franchisor and Franchisee entered into a Biodynamic Franchise Agreement (the "Franchise Agreement[s]") for the operation of a Biodynamic franchise at the following location: _____.

[NOTE: Describe the circumstances relating to the release, such as circumstances related to transfer or renewal of the franchise and relevant agreement dates.]

Now, therefore, in consideration of the mutual covenants set forth below, the parties agree as follows:

[1. Renewal of Franchise Agreement. The parties covenant and agree:

A. The Franchise Agreement, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties is terminated. The provisions of the Franchise Agreement concerning your obligations upon termination and renewal will continue in full force and effect. The parties agree that this Agreement fully and completely expresses the present understanding between the parties.

B. Contemporaneously with execution of this Agreement, you agree to execute our current franchise agreement forms. These forms may vary materially from the Franchise Agreement. Fees will be set at the currently prevailing rates and terms. The Franchise Premises must remain at the location designated in the Franchise Agreement unless we otherwise approve in writing.

C. You will reimburse us for the following reasonable out-of-pocket costs we incur concerning the renewal:
_____.

D. You will refurbish, repair, and replace the equipment, vehicles, vehicle wrap, and signage to conform to the current Operations Manual and System. This includes: _____.

E. You or your designated manager will attend and successfully complete the following retraining programs at your expense, including travel, meals, lodging, and our current training fee of $_____:_____.]

[1. Franchise Transfer. The Parties covenant and agree:

A. The Franchise Agreement between Franchisor and Franchisee, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties are terminated, as between them, except as otherwise provided in this Agreement.

B. Franchisor enters into this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of Transferee.

C. All obligations of Franchisee in connection with the Franchise Agreements and the franchises are assumed by the Transferee. Franchisee will remain bound by its covenants in the Franchise Agreements that neither it nor its owners, officers, partners, or other persons enumerated in the Franchise Agreements will disclose confidential information nor compete with Franchisor or Franchisor's franchisees.

D. [All now ascertained or liquidated debts in connection with the franchise have been paid by Franchisee.] [Franchisee owes $--- in current obligations and will owe additional funds for franchise fees, Brand Development Fees, and product purchases through the closing of this transfer transaction. Franchisee will pay all sums due to Franchisor and to product suppliers within 10 days of the relevant invoice or due date. All other now ascertained or liquidated debts in connection with the franchises have been paid by Franchisee.]

E. Franchisee is not in default in any way under the Franchise Agreements or any other agreement between it and Franchisor.

F. Transferee will pay for and complete to Franchisor's exclusive satisfaction the training programs now required of new franchisees. [Transferee has completed to Franchisor's satisfaction the training programs now required of new franchisees.] [Transferee has demonstrated to Franchisor's satisfaction sufficient ability to successfully operate the franchise]. Franchisee or Transferee have submitted to Franchisor, upon execution of this Agreement, a Transfer Fee in the amount of $---. Franchisor acknowledges receipt of this Fee in consideration for Franchisor's legal, accounting, credit check, training and investigation expenses incurred as a result of this transfer. [In addition, Franchisee has paid to Franchisor, contemporaneous with execution of this Agreement, a ___ percent commission on the gross transfer price (excluding the price of real property), in the amount of $__. Franchisor acknowledges receipt of this amount in consideration for having obtained Transferee for Franchisee.]

G. Transferee will execute all documents Franchisor or Franchisee may reasonably require to complete the transfer and assumption of the franchise, including but not limited to execution of a new franchise agreement in the form currently being used by Franchisor. The new franchise agreement may contain economic and general terms which are materially different from those contained in the Franchise Agreement.

H. Transferee has met the standards established by Franchisor for quality of character, financial capacity and experience required of a new or renewing Biodynamic franchisee. Franchisee and Transferee have provided to Franchisor such information as Franchisor reasonably requested to evidence that Transferee meets these standards.

[I. The lessor or sublessor of the Franchise Premises has consented to the assignment or sublease of the Franchise Premises to Transferee.]

J. Franchisee and Transferee agree to subordinate to Transferee's obligations to Franchisor (including, without limitation, the payment of all franchise fees) any obligations of Transferee to Franchisee.

K. Transferee will assume possession and control of the equipment, furnishings, signs, supplies, inventory, advance paid deposits and other personal property and fixtures located on the Franchise Premises, except as follows:

_____

_____

L. Franchisee will properly operate the franchises and maintain the Franchise Premises in clean and

proper working order and will continue the employment of all current employees until Transferee assumes control of the businesses and [relocates] the Franchise Premises.

M. Franchisee will maintain a sufficient inventory and sufficient supplies on hand to provide for normal business operations through the second day after Transferee assumes control of the businesses and the Franchise Premises, except as follows:

_____

_____

Transferee agrees to place orders with product suppliers to maintain the inventory and supply levels following the closing of this transaction.

N. Franchisee and Transferee have entered into this Agreement for the transfer of Franchisee's rights under the Franchise Agreements after their own independent investigation. The transfer of the franchise rights and the amount of consideration for them have been determined by them independently. Franchisee and Transferee acknowledge that they have not relied upon any representation, warranty, promise or other consideration from or by Franchisor in entering into this Agreement or in evaluating the advisability of the transfer or the value of the franchises, any of the franchise rights or the franchise locations.

[O. Transferee will refurbish, repair, and replace the equipment, vehicles, vehicle wrap, and signage to conform to the current Operations Manual and Method of Operation within 90 days of transfer. This includes: _____.]

P. Franchisee acknowledges that Franchisor has been and is authorized to release to Transferee any and all information maintained by Franchisor relating to the franchised business and the Franchise Agreement.

[NOTE: The following Section 2 is for franchise transfers but not for franchise renewals:]

[2. Franchisee to Cease Using Trade Names, Marks, and Logos. Upon completion of the transfer, Franchisee will immediately cease using Franchisor's trade names, service marks, logos, and other marks, symbols or materials indicating that Franchisee is or was related to Franchisor in any way, except as otherwise provided in writing. Franchisee acknowledges that all such names, service marks, logos, and symbols are the exclusive property of Franchisor and that Franchisee has been allowed to use them, only in conjunction with the franchise relationship as outlined in this Agreement. Franchisee will remain jointly and severally bound to comply with the covenants in the Franchise Agreement which expressly or by reasonable implication are intended to apply to Franchisee after termination of the Franchise Agreement, including any applicable non-disclosure requirements. Franchisee will immediately:

A. deliver to Transferee or Franchisor all copies of the Operations Manuals, training materials, and all other franchise-related materials in Franchisee's custody, control or possession (or destroy such materials if requested by Franchisor) and in any event irretrievably delete or destroy all electronic copies of those materials;
B. take action as required to transfer to Transferee all registrations relating to the use of all assumed names;
C. notify the telephone company and all listing agencies of the transfer of Franchisee's rights to use the franchise names and logos and classified and directory listings of the franchise;
D. cease use of the franchise trademarks, service marks, trade names, copyrights, and other intellectual or intangible property; and
E. refrain from doing business in any way that might tend to give the public the impression that Franchisee still is or was a franchisee in the franchise system.]

3. Communication of Confidential Information. Neither Franchisee nor its owners, officers, directors, or other persons enumerated in the Franchise Agreements will communicate or divulge to any person or entity the contents of this Agreement, the contents of the Franchise Agreement, the substance of the Biodynamic franchise operations manuals, or any other nonpublic information related to the operation of the Biodynamic franchise system. Franchisee represents and warrants that neither it nor any listed individual has communicated or divulged any such information to anyone prior to the date of this Agreement. This Section shall not reduce the scope of the confidentiality and non-disclosure obligations and restrictions in the Franchise Agreement; Franchisee will continue to comply with such obligations and restrictions.

[Nothing contained in this Agreement will preclude Franchisor or Franchisee from disclosing the fact of this Agreement or the amount paid by Transferee to Franchisor or to Franchisee.]

4. Release.

A. General. In consideration of the covenants and understandings set forth in this Agreement, Franchisee (for itself and on behalf of its affiliates, subsidiaries, divisions, successors, assigns, owners, officers, directors, LLC managers, employees and agents) ("***Releasing Parties***") does release and forever discharge and covenants not to sue Franchisor (and its affiliates, subsidiaries, divisions, successors, assigns, owners, officers, directors, LLC managers, employees and agents) ("***Released Parties***") from all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute (each a "***Claim***" and collectively "***Claims***"), including but not limited to Claims arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of the Franchise Agreement and any related agreements between the parties through the date of this Agreement *[(except provisions in the Franchise Agreement concerning Franchisee's obligations upon termination).]*

It is expressly understood and agreed that this release is intended to cover and does cover not only all known losses and damages but any further losses and damages not now known or anticipated but which may later develop or be discovered, including all the effects and consequences thereof.

The purpose of this release is to make a full, final and complete settlement of all claims against Franchisor, known or unknown, through the date of this Agreement, including, but not limited to, economic loss.

[In consideration of the covenants and understandings set forth in this Agreement, Transferee does release and discharge Franchisor and its current and former owners, partners, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of Transferee's existing franchise or license agreement(s) with us and any related agreements between the parties and out of any other action or relationship between the parties arising prior to the date of this Agreement.

Transferee represents that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims against Franchisor, known or unknown, through the date of this Agreement, including, but not limited to, economic loss.]

B. Waiver of Statute. With the advice of legal counsel, the Releasing Parties expressly waive any statute, legal doctrine or other similar limitation upon the effect of general releases. If applicable, the parties waive the benefit of California Civil Code Section 1542, which states: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO

EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

C. Covenant Not to Sue. The Releasing Parties covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of crossclaim, defense, or counterclaim, against any of the Released Parties with respect to any Claim.

[D. Certain Obligations Not Released. The parties agree that the provisions of the Franchise Agreement concerning the obligations of Franchisee upon termination will continue in full force and effect. Without limiting the generality of the foregoing, Franchisee shall be liable to Franchisor for royalties and any other fees that accrue prior to the Effective Date.]

Washington Franchise Investment Protection Act. The release contained herein does not apply to claims that arise under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220.

E. Releasing Parties' Acknowledgments. EACH OF THE RELEASING PARTIES HEREBY ACKNOWLEDGE THAT THEY HAVE READ THIS RELEASE THOROUGHLY AND FULLY UNDERSTAND IT; THEY ARE VOLUNTARILY EXECUTING THIS RELEASE; THEY HAVE GRANTED THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE BEFORE EXECUTING THIS RELEASE; AND THEY ARE AWARE THAT BY SIGNING THIS RELEASE THEY ARE WAIVING CERTAIN LEGAL RIGHTS THAT THEY MAY HAVE AGAINST THE RELEASED PARTIES.

5. Indemnification. Franchisee, for themselves and their heirs, successors, representatives, assigns, subsidiaries, divisions, and agents and each of them, agree to indemnify and hold harmless Franchisor and its affiliates, subsidiaries, divisions, successors, assigns, officers, directors, employees and agents and each of them against any liabilities, losses, damages, deficiencies, claims, costs, expenses, actions, suits, proceedings, investigations, demands, assessments, judgments, and costs of any nature resulting, directly or indirectly, from the operation of the franchise by Franchisee or Franchisee's agents or employees. This Section shall not reduce the scope of the indemnities found in the Franchise Agreement.

6. Miscellaneous Provisions.

A. Entire Agreement; Amendments. This writing is the entire agreement between the parties and may not be modified or amended except by written agreement signed by the parties.

B. Joint and Several Liability. If Franchisee consists of more than one individual or entity, then their liability under this Agreement will be joint and several.

C. Waiver. No waiver of any covenant or breach of this Agreement will be a waiver of any subsequent breach of the same or any other covenant or authorize the subsequent breach of any covenant or condition.

D. Time of Essence. Time is of the essence of this Agreement.

E. Injunctive Relief. In addition to other remedies available at law or in equity, any party may seek and obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any covenant contained in this Agreement.

F. Dispute Resolution. If a dispute arises, before taking any other legal action, the parties agree to participate in good faith mediation in the county in which our headquarters are then located (currently Clark County, Washington) in accordance with the mediation procedures of Arbitration Service of Portland, Inc. or of any similar organization that specializes in the mediation of commercial business disputes. The party demanding mediation must provide written notice to the other party of the demand for

mediation. If the other party does not respond to the mediation demand within 30 days of written notice, or indicates a refusal to participate in mediation, then the party providing notice may proceed with other forms of dispute resolution. The parties agree to equally share the costs of mediation. Injunctive relief and or claims of specific performance sought pursuant to or authorized by this Agreement, are not subject to, nor can be avoided by, the mediation terms of this Agreement, and may be brought in any court of competent jurisdiction.

G. Costs and Attorneys' Fees. The prevailing party in any suit or action to enforce this Agreement will be entitled to recover its arbitration and court costs and reasonable legal fees to be set by the court, including costs and legal fees on appeal.

H. Governing Law and Venue. This Agreement is accepted in the State of Washington and will be governed by the laws of Washington, which laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.) and except in those states whose franchise laws require exclusive application of those laws. This choice of laws will not include and does not extend the scope of application of the Washington franchise or business opportunity laws (if any). Any portion of this Agreement that requires enforcement in any other state, and is enforceable under the laws of that state but not of Washington, will be construed and enforced according to the laws of that state. All issues or disagreements relating to this Agreement, will be tried, heard, and decided in the county in which our headquarters are then located (currently Clark County, Washington).

I. Successors and Assigns. This Agreement will benefit and bind the respective heirs, executors, administrators, successors, and assigns of the parties.

J. Legal Representation. The parties acknowledge they have been represented by counsel and have been advised of the significance and ramifications of executing this Agreement.

K. Counterparts and Electronic Signatures. This Agreement may be executed simultaneously in counterparts, each of which will be deemed an original, but all of which, together, will constitute one and the same instrument. Execution of this Agreement via DocuSign or any other reputable e-signature service will constitute valid and enforceable execution.

L. Certain Definitions. The words "will", "shall", and "must" used in this Agreement indicate a mandatory obligation. In this Agreement, *including* means "including but not limited to" unless expressly stated otherwise.

[7. Effective Date. The effective date of this Agreement shall be the date the last party signs.]

IN WITNESS WHEREOF, the parties have executed this Agreement.

Franchisor: BLACK BUCK FRANCHISING, LLC

By: _____

Name: _____

Title: _____

Franchisee:

Name of Corporation/LLC/Partnership: _____

By: _____ Title: _____

Individual Signature: _____

Print Name: _____

Individual Signature: _____

Print Name: _____

Transferee:

Name of Corporation/LLC/Partnership: _____

By: _____ Title: _____

Individual Signature: _____

Print Name: _____

Individual Signature: _____

Print Name: _____

Instructions for signatures (above) for "Franchisee" and "Transferee": If you are a corporation, limited liability company or other business entity, then this Agreement should be signed by a company officer or owner authorized to sign on behalf of the company. Additionally, this Agreement must be signed by all officers and owners of the company as individuals.

Exhibit I to Biodynamic Franchise Disclosure Document and Franchise Agreement

PERSONAL GUARANTY

THIS PERSONAL GUARANTY (this "**Guaranty**") is given this _____ day of _____, 20___, by _____, jointly and severally (collectively, the "**Guarantors**").

1. General. In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (including its exhibits) of even date (the "**Agreement**") by BLACK BUCK FRANCHISING, LLC, a Washington Limited Liability Company (the "**Franchisor**"), with _____ a _____ [corporation/limited liability company] (the "**Franchisee**"), each of the undersigned ("**Guarantor(s)**") personally and unconditionally (a) guarantees to the Franchisor, and its successor and assigns, that the Franchisee will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement and its exhibits, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including but not limited to the provisions related to confidentiality and non-disclosure of confidential information, non-competition, use of trademarks and other intellectual property, monetary obligations, dispute resolution, and indemnification. In this Guaranty, "Agreement" includes the Franchise Agreement and its exhibits and attachments as presently constituted and as they may be renewed, extended or modified.

2. Certain Waivers. Each of the undersigned waives: (1) acceptance and notice of acceptance by the Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (4) any right the undersigned may otherwise have to require that an action be brought against the Franchisee or any other person as a condition of liability; (5) the defense of the statute of limitations in any action under this Guaranty or for the collection of any indebtedness or the performance of any obligation guaranteed by this Guaranty; and (6) any and all other notices and legal or equitable defenses to which it may be entitled.

3. Certain Consents and Agreements. Each of the undersigned consents and agrees that: (1) each Guarantor's liability under this undertaking is direct, immediate, and independent of the liability of, and is joint and several with, the Franchisee and the other owners of the Franchisee; (2) the undersigned will render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so; (3) the liability of each of the undersigned is not contingent or conditioned upon pursuit by the Franchisor of any remedies against the Franchisee or any other person (including others of the undersigned); (4) the Franchisor may proceed against the Guarantor without having commenced any action, or having obtained any judgment, against the Franchisee; (5) the liability of each of the undersigned will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which the Franchisor may grant to the Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, or any amendment to the Agreement, none of which shall in any way modify or amend this Guaranty, which shall be continuing; (6) neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this Guaranty nor any remedy for the enforcement of this Guaranty will be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of the Franchisee or its estate in bankruptcy or of any remedy for the enforcement of this Guaranty, resulting from the operation of any present or future provision of the U.S. Bankruptcy

Code or other statute, or from the decision of any court or agency; and (7) any obligations or debt owing from Franchisee to the undersigned shall be subordinate to Franchisee's obligations under the Agreement and this Guaranty.

4. Miscellaneous.

4.1 Guarantor further agrees to reimburse the Franchisor for all costs and expenses which the Franchisor may incur in the enforcement of any of its rights under this Guaranty, including reasonable attorneys' fees.

4.2 Nothing in this Guaranty shall be deemed or taken to be a condition or limitation of any of the rights of the Franchisor against the Franchisee.

4.3 This Guaranty shall continue in full force and effect until all of the obligations of the Franchisee have been satisfied.

4.4 The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the successors and assigns of the Guarantor and Franchisor.

4.5 No provision of this Guaranty or right of Franchisor hereunder can be waived or modified, nor can Guarantor be released from Guarantor's obligations hereunder, except by a writing duly executed by Franchisor.

4.6 This Guaranty may be assigned by Franchisor concurrently with the transfer or assignment of the License Agreement, and, when so assigned, Guarantor shall be liable to the assignees without in any manner affecting the liability of Guarantor hereunder.

4.7 Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

4.8 This Guaranty shall be governed by and construed in accordance with the laws of the State of Washington. In any action brought under or arising out of this Guaranty, Guarantor hereby consents to the jurisdiction of any competent court within the county in which our headquarters are then located (currently Clark County, Washington) and hereby consents to service of process by any means authorized by Washington law.

4.9 This Guaranty shall constitute the entire agreement of Guarantor with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Franchisor unless expressed herein.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S):	PERCENTAGE OWNERSHIP IN FRANCHISEE:
Signed: _____ Print Name: _____	_____%
Signed: _____ Print Name: _____	_____%
Signed: _____ Print Name: _____	_____%

SPOUSAL CONSENT

The undersigned is the spouse of an individual or owner who signed the Franchise Agreement and/or the Personal Guaranty. The undersigned hereby (a) acknowledges that the undersigned has read and understands the terms and conditions of the Franchise Agreement and the Personal Guaranty (as applicable); (b) specifically consents to the terms and conditions of the Franchise Agreement and the Personal Guaranty (as applicable); (c) approves the execution of the Franchise Agreement and the Personal Guaranty (as applicable) by the spouse of the undersigned; and (d) acknowledges that by so consenting, the undersigned has agreed that marital, jointly owned, and/or community property is liable to the extent of the liability of the spouse of the undersigned under the Franchise Agreement and the Personal Guaranty (as applicable).

Spouse's Signature:

Signed: _____

Print Name: _____

Date: _____

Exhibit J to Biodynamic Franchise Disclosure Document and Franchise Agreement

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This Confidentiality and Non-Competition Agreement (this "***Agreement***") has been entered effective on the following date: _____. It is by and between BLACK BUCK FRANCHISING, LLC, a Washington limited liability company ("***Franchisor***" and "***we/us***") and _____ ("***you***").

RECITALS

A. We own valuable goodwill and have valuable Confidential Information (defined below), and distinctive business format and color scheme and utilize distinctive, uniform business formats, formulae, signs, equipment, layouts, systems, methods, procedures, designs and marketing and advertising standards and formats (the "***System***"). The Confidential Information and System are connected with the development and operation of Biodynamic businesses.

B. Franchisor and _____ ("***Franchisee***") signed that certain franchise agreement ("***Franchise Agreement***") on or about _____ [DATE]. The Franchise Agreement requires the Franchisee's owners, officers, directors, and persons occupying similar positions (who may obtain or who are likely to obtain knowledge concerning our Confidential Information) to execute a confidentiality and non-competition agreement.

AGREEMENT

Therefore, in consideration of the mutual promises and covenants contained in the Franchise Agreement and herein, the parties agree as follows:

1 PROTECTION OF CONFIDENTIALITY

1.1 **Confidential Information Defined**. In this Agreement, "Confidential Information" shall mean:

a) Any information, whether or not it has been marked or otherwise designated as confidential, that relates to our proprietary ideas, trade secrets, business, products, technology, customers, finances, plans, proposals, or practices of us, including, but not limited to, plans and specifications for new products, discoveries, ideas, know-how, research and development, formulae, inventions, techniques, marketing strategies, customer lists, financing sources and suppliers, non-public financial information, budgets, data, and projections;
b) Our proprietary information and information we mark or designate as confidential;
c) Information, whether or not in written form and whether or not designated as confidential, which is known to you as being treated by us as confidential;
d) Information provided to us by third parties, which we are obligated to keep confidential.

The Confidential Information shall include information in any form in which such information exists, whether oral, written, video, digital, electronic, or other format or medium.

Confidential Information loses that status if: (1) You can demonstrate that the information becomes publicly available (unless because you breached this Agreement); (2) You get it without restriction from a third party who had the right to disclose it without restriction; or (3) You develop it independently, or already knew it when we gave it to you as evidenced by your written records.

1.2 **Our Exclusive Property**. You acknowledge and agree that our System and all Confidential Information is and shall continue to be our sole and exclusive property, whether or not disclosed or entrusted to you in connection with your relationship with us. Nothing in this Agreement will give you or others any right, title, or interest whatsoever in or to them. The Confidential Information shall be considered our trade secrets and shall be entitled to all protections provided by applicable law to trade secrets.

1.3 **Safeguard of Confidential Information**. You agree to exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure. You agree to accord to the Confidential Information the same degree of care and use the same confidentiality protection practices as you exercise or employ with respect to your confidential or proprietary information (but no less than a reasonable degree of care). This includes obligating employees and consultants who receive Confidential Information to covenants of confidentiality and non-use.

1.4 **Notice**. You agree that if you or your employees and agents are served with any subpoena or other compulsory judicial or administrative process calling for production of Confidential Information, you will immediately notify us in order that we may take such action as we deem necessary to protect our interests. You agree to execute any and all documents and to do all acts and things in the opinion of our counsel are necessary or advisable to protect our interests.

2. COVENANT OF NON-DISCLOSURE. You specifically acknowledge that you will receive valuable specialized and Confidential Information, including information regarding our operational, sales, promotional and marketing methods and techniques and the System. You agree not to disclose Confidential Information to any third party and to limit disclosure within your association to designated employees approved by us. Disclosures to designated employees will be done on a "need to know" basis to the extent necessary for them to perform the duties of their employment with you. Unless required by court order or applicable law, you agree not to copy, download, send, or divulge any Confidential Information directly or indirectly to any other person or enterprise outside of our franchise system. You will never communicate, divulge, or use in any manner, either for your benefit or the benefit or any other person, persons, partnerships, associations, companies or corporations any Confidential Information or proprietary information, knowledge or know-how concerning the System or any information we have communicated to you in written, verbal or electronic form, including intranet passwords, for the operation of your business. You agree not to reverse engineer, decompile, or otherwise attempt to discover the components of our formulae or other Confidential Information.

3 COVENANT OF NON-USE. You agree not to use Confidential Information or the System, except as authorized by us. You will obligate your owners, board of directors, LLC managers, employees, and agents to the same non-use covenant. We must approve in writing any use of Confidential Information or System by you or your owners or your directors or employees. You will be responsible for any breach of this Agreement by your owners, board of directors, LLC managers, employees and agents.

4 RETURN OF CONFIDENTIAL INFORMATION. You agree that all originals and copies of records, data, reports, documents, lists, plans, drawings, correspondence, memoranda, notes, and other materials related to or containing any Confidential Information, in whatever form they exist, whether written, visual, audio, video, or other form of media, shall be our sole and exclusive property. Upon cessation of your association with Franchisee, or upon our earlier request, you will promptly return to us (or irretrievably delete or destroy) all documents or other tangible property that contains Confidential Information.

5 NON-COMPETITION COVENANT.

5.1 Covenant. During the term of your association with Franchisee and for two years thereafter, you and the spouse, children, parents, or household members of you (if you are an individual) or your owners (if you are an entity) ("***Owner-Related Persons***") will not directly or indirectly (including by or through any other person or entity) participate as an owner, director, officer, employee, consultant, licensor, licensee, distributor, or agent, or serve in any other capacity in any business engaged in the offer, sale, or promotion of: mold remediation with a focus on small particulate cleanup (SPC), damage restoration, certain niche industrial activities, and related services or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the System.

5.2 Geographic Scope. During the term of your association with Franchisee, the covenants described in Section 5.1 above shall apply worldwide. During the two-year period after your association with Franchisee, such covenants will apply within the Territory (as defined in Franchisee's Franchise Agreement), within a 50-mile radius of the Territory, and within a 50-mile radius of any location or designated territory where we operate or have granted the franchise to operate a Biodynamic business.

6 NON-DIVERSION OF BUSINESS. To the full extent permitted by applicable law, during the term of your association with Franchisee and for two years thereafter, you will not, and you will ensure that Owner-Related Persons will not, do any of the following:

A. divert or attempt to divert any of our business or any of our customers to any competing establishment;

B. do anything harmful to our goodwill associated with the Marks and System; or

C. employ or seek to employ any person who is or was employed within the preceding 12 months by the Franchisor, any affiliate of the Franchisor, the Franchisee, or any franchisee of the Franchisor, or otherwise directly or indirectly induce these persons to leave their employment. The foregoing restrictions shall not apply to any general advertisement placed into the public domain for an employment position. *[This subsection 6.C shall not apply to in the State of Washington.]*

7 REMEDIES: INJUNCTION AND DAMAGES. You acknowledge that any disclosure of Confidential Information will cause irreparable harm to us. You agree that it may be difficult to measure damage to us from any breach by you or your employees and agents of this Agreement. You agree that monetary damages may be an inadequate remedy for any such breach. Accordingly, you agree that if you breach or take steps preliminary to breaching this Agreement, we shall be entitled, in addition to all other remedies we may have at law or in equity, to a restraining order, temporary and permanent injunctive relief, specific performance, or other appropriate equitable relief, without showing or proving that we actual sustained any damage.

8 MISCELLANEOUS

8.1 Duration. The obligations set forth in this Agreement related to non-disclosure and non-use of Confidential Information will continue during and beyond the term of your relationship with the Franchisee and for as long as you possess any Confidential Information in any manner.

8.2 Waiver. A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition. Any waiver to this Agreement's provisions must be made in signed writing by the granting party.

8.3 Governing Law. This Agreement will be governed by the substantive laws of Washington without regard to Washington choice of law provisions. Washington laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.). This choice of laws will not include and does not extend the scope of application of any Washington franchise or business opportunity laws except as they may otherwise apply pursuant to their terms and

definitions. Any portion of this Agreement that requires enforcement in any other jurisdiction, and is enforceable under the laws of that jurisdiction but not of Washington, will be construed and enforced according to the laws of that jurisdiction.

8.4 Venue. The venue for any action or legal proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement will be in the county in which our headquarters are then located (currently Clark County, Washington). Each of the parties waives any objection to this venue provision.

8.5 Injunctive Relief and Specific Performance. Either party may obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement.

8.6 Remedies Not Exclusive. No right or remedy conferred upon either party is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy.

8.7 Attorneys' Fees. The prevailing party in any arbitration, insolvency proceeding, bankruptcy proceeding, suit, or action to enforce this Agreement will recover its arbitration, proceeding, and court costs and reasonable attorneys' fees. These will be set by the arbitration, proceeding or court, including costs and attorneys' fees on appeal or review from the arbitration, proceeding, suit, or action. "Prevailing party" means the party who recovers the greater relief in the proceeding.

8.8 Lawful Scope. If, for any reason, any provision set forth in this Agreement exceeds any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law.

8.9 Counterparts and Electronic Signatures. This Agreement may be executed simultaneously in counterparts, each of which will be deemed an original, but all of which, together, will constitute one and the same instrument. Execution of this Agreement via DocuSign or another reputable e-signature service shall constitute legally binding execution and effective delivery.

8.10 Definition of "Including." In this Agreement, *including* means "including but not limited to" unless expressly stated otherwise.

IN WITNESS, the parties have executed this Agreement on the date written above.

Franchisor: BLACK BUCK FRANCHISING, LLC

By: _____

Name: _____

Title: _____

You: _____

Signed: _____

Name: _____

Title/Position with Franchisee:

_____

Acknowledged by Franchisee:

_____

By: _____

Name: _____

Title: _____

Exhibit K to Biodynamic Franchise Disclosure Document

STATE LAW ADDENDUM
TO
FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, MULTIPLE FRANCHISE PURCHASE ADDENDUM, AND RELATED AGREEMENTS

California

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

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

Our website address is www.4biodynamic.com. **OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.**

FDD Item 17, FA Sections 5, 6, 7 and 9

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

(2) 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.).

(3) 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.

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

(5) The Franchise Agreement provides that all issues or disagreements relating to the Franchise Agreement will be mediated, tried, heard and decided in the county in which our headquarters are then located (currently Clark County, Washington) with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

(6) The Franchise Agreement requires application of the laws of the State of Washington. This provision may not be enforceable under California law.

(7) Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form and containing such information as the Commissioner of the Department of Financial Protection and Innovation may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

FDD Item 3

Response to California 10 CCR Section 310.114.1(c)(3): Neither the franchisor nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

FDD Item 6; Franchise Agreement Section 2.8

Late payment administration fees and late charges will not exceed California's legal limit on interest rates, which is currently 10% annually.

FDD Item 17.r and Exhibit J (Confidentiality and Non-Competition Agreement); FA Section 6.6

Under Business and Professions Code Section 16600, covenants not to compete that extend beyond the termination of the franchise are not enforceable under California law.

FA Section 9.18 (entitled "Your Additional Representations and Acknowledgments") is hereby modified to the extent necessary to not require franchisee to waive its rights under the Franchise Investment Law in violation of California Corporations Code 31512.

Franchise Agreement, Section 5.16 (entitled "Non-Solicitation of Employees") is hereby deleted from the Franchise Agreement.

The representations and acknowledgments in Section 9.18 of the Franchise Agreement (entitled "Your Additional Representations and Acknowledgments") are hereby deleted to the extent they are not permissible or enforceable under applicable state franchise laws.

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

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

FDD Item 5; FA Section 2.1; Multiple Franchise Purchase Addendum (FA Exhibit 3) Section 6

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. For any development agreement, the payment of the development and

initial fee attributable to a specific unit is deferred until that unit is open.

We do not have a federal registration for one or more of our principal marks. Therefore, such trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

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

California law requires that you obtain a contractor's license from the California Contractors State License Board (CSLB) if the total cost (labor and materials) of one or more contracts on the project is $500 or more. Licenses may be issued to individuals, partnerships, corporations, or joint ventures. The CSLB does not issue licenses to Limited Liability Companies (LLCs).

Washington Addendum to the Franchise Disclosure Document, Franchise Agreement, Multiple Franchise Purchase Addendum, and Related Agreements

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

Franchise Agreement, Section 5.16 (entitled "Non-Solicitation of Employees") is hereby deleted from the Franchise Agreement.

RCW 19.100.220(2) provides that any agreement, condition, stipulation or provision purporting to bind any person to waive compliance with RCW 19.100 or any rule or order thereunder is void. Therefore, the Franchise Agreement and related agreements are hereby modified to the extent necessary to not contravene RCW 19.100.180(2)(g). This includes, but is not limited to, Section 9.18 of the Franchise Agreement (entitled "Your Additional Representations and Acknowledgments").

FDD Item 5

In Washington, persons who receive financial incentives to refer franchise prospects to us (if applicable) may be required to register as franchise brokers under relevant laws of the State of Washington.

FA Section 1.3.5

Franchise Agreement Section 1.3.5 is hereby stricken from the agreement.

FA Section 5.10

Franchise Agreement Section 5.10 (entitled "Working Capital Requirement") is hereby stricken from the agreement.

FA 5.16

Franchise Agreement, Section 5.16 (entitled "Non-Solicitation of Employees") is hereby deleted from the Franchise Agreement.

FA 5.12.4

Franchise Agreement Section 5.12.4 is hereby stricken from the agreement.

FDD Item 17p; FA Sections 6 and 7

To the extent Franchise Agreement Sections 6 and 7 give us the option to purchase your business, the purchase price will be paid in cash, in full, at the time of closing.

FA Section 6.5.7

Section 6.5.7 of the Franchise Agreement shall be interpreted in accordance with RCW 19.100.180, including that pursuant to RCW 19.100.180(2)(i) the franchisor must compensate the franchisee for good will in certain circumstances.

FA Section 6.5.7.C

Franchise Agreement Section 6.5.7.C is hereby amended to remove the "10% restocking charge."

FDD Item 6; FA Section 6.5.9

Section 6.5.9 of the FA is hereby replaced with the following. FDD Item 6 is amended accordingly.

> 6.5.9 Damages and Liquidated Damages. If Franchisee terminates this Agreement other than in accordance with the terms of Section 6.2, or if Franchisor terminates this Agreement pursuant to its terms, then Franchisee shall pay to Franchisor within fifteen (15) days of such termination as liquidated damages and not as a penalty, an amount equal to Royalty Fees Franchisee should have paid, had this Agreement not be terminated, for the lesser of (1) 24 months, or (2) the number of months remaining on the term of this Agreement. Such payment will be calculated based on the average Royalty Fees Franchisee paid (or if unpaid, payable) during the immediately preceding 12-month period (or shorter period if you will have operated for less than 12 months).
>
> The parties hereby acknowledge and agree that the actual damages that would be incurred by Franchisor in the event of any breach or early termination of this Agreement by Franchisee would be difficult to calculate and that the liquidated damages provided for in this Agreement are fair and reasonable under the circumstances. The parties further acknowledge and agree that the liquidated damages specified in this Section are only intended to compensate Franchisor for the early termination of this Agreement and Franchisor's loss of revenue resulting therefrom, but not for any other breach of this Agreement by Franchisee or any other damages incurred by Franchisor, and all remedies applicable thereto remain available to Franchisor.

FA Section 7.4.2

Franchise Agreement Section 7.4.2 is hereby stricken from the agreement.

FA Section 8.1

Franchise Agreement Section 8.1 is hereby amended to provide that the Franchisee's indemnification obligation does not extend to liabilities caused by the Franchisor's acts or omissions amounting to gross negligence, willful misconduct, strict liability, or fraud (and that this does not only apply in circumstances in which the franchisee breached the Franchise Agreement).

FA Section 8.1.1

The second sentence of Section 8.1.1 is hereby replaced with the following:

> "Without limiting the foregoing, this indemnity will apply to claims that you, your owners, employees, brokers or your independent contractors are our (or another Indemnified Party's) employees or agents, or are part of a common enterprise with us (or another Indemnified Party), including claims regarding violations of labor or employment laws or regulations."

FA Section 9.7.3.1

Section 9.7.3.1 of the Franchise Agreement, which requires franchisees to waive the rule of contract construction that the contract is construed against the party preparing or drafting the agreement, does not apply to Washington franchisees.

FA Section 9.9.9.A

Franchise Agreement Section 9.9.A (regarding costs of enforcement without legal action) is hereby deleted from the agreement. Item 6 of the FDD is hereby amended accordingly.

FA Section 9.9.9.D

Franchise Agreement Section 9.9.9.D is hereby stricken from the agreement.

FA Section 9.9.9.G

Franchise Agreement Section 9.9.9.G is hereby stricken from the agreement.

FA Section 9.18

The representations and acknowledgments in Section 9.18 of the Franchise Agreement (entitled "Your Additional Representations and Acknowledgments") are hereby deleted to the extent they are not permissible or enforceable under applicable state franchise laws.

Section 4.1 of the Personal Guaranty (FDD Exhibit I)

Section 4.1 of the Personal Guaranty is hereby amended to state that the Guarantor only must reimburse Franchisor for the specified costs if Franchisor is the substantially prevailing party in a legal action.

General Release (FDD Exhibit H)

Section 4.C of the General Release (entitled "Covenant Not to Sue") does not apply to Washington franchisees.

The General Release does not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

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

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Multiple Franchise Purchase Addendum, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

The undersigned does hereby acknowledge receipt of this addendum.

It is agreed that the applicable foregoing state law addendum for the state of _____, if any, supersedes any inconsistent portion of the Franchise Agreement (to which this addendum is attached) of this same date, and of the Franchise Disclosure Document. All terms of the Franchise Agreement, including these State Law Addendum provisions for the relevant state, have been agreed to at the time the Franchise Agreement was signed, to the extent that they are valid requirements of an applicable, effective, and enforceable state law. However, this addendum will have effect only if the Franchise Agreement or our relationship with you satisfies all of the jurisdictional requirements of the relevant state's franchise laws, without considering this addendum.

DATED _____.

("we/us"): BLACK BUCK FRANCHISING, LLC

By: _____

Name: _____

Title: _____

("you"):

_____

By: _____

Name: _____

Title: _____

Signed Personally: _____

Print Name: _____

Exhibit L to Biodynamic Franchise Disclosure Document

OPERATIONS MANUAL TABLE OF CONTENTS

Introduction	2
Company Facts	3
Before you Arrive for Training	5
Goals	7
Facilities and Related	10
Setting up your Company	11
Training – What to Expect	12
Competition Report	15
Office Supplies Checklist	16
Tools and Equipment Checklist	17
Intro to Mold and Mycotoxins	18
Building Your Team	21
Operating your Company	24
Client Communication	27
Scheduling and Deposits	30
Invoicing	32
Starting a Project	34
BioRemediation	
Demo and Containments	36
Contents	38
Organizing a Project/Clean Rooms	40
Structure Cleaning	44
BioSanitization	45
Testing	47
Safety	49
Managing the Project	50
Quality Assurance	55
Sales and Marketing	56
Human Resources	58
Appendix D – Sample Organizational Chart	59

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Washington	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Exhibit ~~O~~N to Biodynamic Franchise Disclosure Document

RECEIPT

This franchise disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If BLACK BUCK FRANCHISING, LLC offers you a franchise, it must provide this franchise 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 law require delivery at the earlier of the first personal meeting or at least 10 business days, and Michigan and Wisconsin law require delivery at least 10 business days, before signing/paying.

If BLACK BUCK FRANCHISING, LLC does not deliver this franchise disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal 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 C.

The name, principal business address, and telephone number of each franchise seller offering the franchise are: Matthew Ballou, President, ~~and Aimee Oldenburg, Director of Operations~~Ty Johnson, General Manager, and Jennifer Ricca, COO, BLACK BUCK FRANCHISING, LLC, 6705 NE 79th Court, Portland, OR 97218, 503-828-2520.

Our authorized agents for service of process are identified on Exhibit C to this Franchise Disclosure Document.

Date of Issuance: ~~November 15, 2023~~January 16, 2025 (and effective as of the individual state registration dates reflected on Exhibit N).

I have received a disclosure document dated as indicated above that included the following Exhibits:

A. Financial Statements
B. Standard Franchise Agreement
C. List of State Agents for Service of Process and State Administrators
D. Conditional Assignment
E. Cancellation of Assumed Business Name
F. Electronic Funds Transfer Authorization
G. ~~[Intentionally left blank]~~Lists of Current and Certain Former Franchisees
H. Form of General Release
I. Personal Guaranty
J. Confidentiality and Non-Competition Agreement
K. State Law Addendum
L. Operations Manual Table of Contents
~~M. Lists of Current and Certain Former Franchisees~~
~~N~~M. State Effective Dates

DATED this ___ day of _____, 20___.

Signatures of All Prospective Franchisees:

Signature: _____ Signature: _____

Print Name: _____ Print Name: _____

Name of Corporation/LLC/Partnership (if applicable): _____

By: _____ Title: _____

KEEP THIS COPY FOR YOUR RECORDS.

Exhibit ~~O~~N to Biodynamic Franchise Disclosure Document

RECEIPT

This franchise disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If BLACK BUCK FRANCHISING, LLC offers you a franchise, it must provide this franchise 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 law require delivery at the earlier of the first personal meeting or at least 10 business days, and Michigan and Wisconsin law require delivery at least 10 business days, before signing/paying.

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K. State Law Addendum
L. Operations Manual Table of Contents
~~M. Lists of Current and Certain Former Franchisees~~
~~N~~M. State Effective Dates

DATED this ___ day of _____, 20___.

Signatures of All Prospective Franchisees:

Signature: _____ Signature: _____

Print Name: _____ Print Name: _____

Name of Corporation/LLC/Partnership (if applicable): _____

By: _____ Title: _____

PLEASE SIGN THIS COPY OF THE RECEIPT, DATE YOUR SIGNATURE, AND RETURN IT TO BLACK BUCK FRANCHISING, LLC, 6705

NE 79th Court, Suite #1, Portland, OR 97218 (or via electronic means as directed by BLACK BUCK FRANCHISING, LLC).