FRANCHISE DISCLOSURE DOCUMENT

JDog Carpet Franchising, LLC

A Delaware limited liability company

1021 Old Cassatt Road,

Suite 100

Berwyn, PA 19312

1.844.438.5364

jerry@jdog.com

JDog Carpet Franchising, LLC, offers Franchises for the operation of residential and commercial carpet cleaning businesses under the name "JDog Carpet Cleaning". This franchise is only offered to honorably discharged and active military personnel and their families. The total investment necessary to begin operation of a "JDog Carpet Cleaning" franchise is between $37,909 to $169,947. This includes $10,000 to $25,000 that must be paid to the franchisor or affiliate.

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 fourteen (14) calendar days before you sign a binding agreement with, or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. **NOTE, however that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, please contact Jerry Flanagan at JDog Carpet Franchising, LLC, 1021 Old Cassatt Road, Suite 100, Berwyn, PA 19312 or call us at 1.844.438.5364.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your Contract. Read all of your contracts carefully. Show your Contract and this Disclosure Document to an advisor such as 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 through the Trade Commission. You can contact the F.T.C. at 1-877-FTC-HELP or by writing the F.T.C. at 600 Pennsylvania Avenue, Northwest, Washington, DC 20580. You can also visit the F.T.C.'s homepage at www.ftc.gov. For additional information, call your state agency or visit your public library for sources of information of franchising.

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

Issued: June 30, 2020

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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 G.
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 H 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 JDog Carpet Cleaning 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 JDog Carpet Cleaning franchisee?	Item 20 or Exhibit G 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 A.

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

Special Risks to Consider About *This* Franchise

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

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

2. **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 franchise in a system with a longer operating history.

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

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

NOTICE REQUIRED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

The following statement is required to be provided to you under the Michigan Franchise Investment Law. By providing this statement, we do not represent or warrant that any of the following provisions of the law are enforceable. We reserve the right to contest the enforceability of any of the following provisions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:
Michigan Department of Attorney General
Consumer Protection Division
Attn: Franchise
525 W. Ottawa Street, 1st Floor
Lansing, Michigan 48909
(517) 373-7117

TABLE OF CONTENTS

Contents

ITEM 1- THE FRANCHISOR AND ANY PARENTS, PREDECESSORS OR AFFILIATES....1
ITEM 2 - BUSINESS EXPERIENCE....3
ITEM 3 - LITIGATION....5
ITEM 4 - BANKRUPTCY....5
ITEM 5 - INITIAL FEE....5
ITEM 6 - OTHER FEES....6
ITEM 7 - ESTIMATED INITIAL INVESTMENT....11
ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCT AND SERVICES....16
ITEM 9 – FRANCHISEE'S OBLIGATIONS....19
ITEM 10 - FINANCING....20
ITEM 11 - FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING....21
ITEM 12 – TERRITORY....30
ITEM 13- TRADEMARKS....31
ITEM 14 – PATENTS, COPYRIGHTS, PROPRIETARY INFORMATION....33
ITEM 15 - OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION....33
OF THE FRANCHISE BUSINESS....33
ITEM 16 - RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL....34
ITEM 17 – RENEWAL, TERMINATION,TRANSFER and DISPUTE RESOLUTION....34
ITEM 18 - PUBLIC FIGURES....38
ITEM 19 - FINANCIAL PERFORMANCE REPRESENTATIONS....38
ITEM 20 – OUTLETS AND FRANCHISEE INFORMATION....38
ITEM 21 – FINANCIAL STATEMENTS....41
ITEM 22 – CONTRACTS....42
ITEM 23 – RECEIPTS....42

List of Exhibits:

EXHIBIT A: STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT B: FRANCHISE AGREEMENT

Schedule A: Franchise Information
Schedule B: Franchisee's Principal Guaranty

EXHIBIT C: Operations Manual Table of Contents

EXHIBIT D: EFT

EXHIBIT E: Representations and Acknowledgment Statement

EXHIBIT F: State Specific Addenda

EXHIBIT G: OUTLETS AS OF DECEMBER 31, 2018

EXHIBIT H: FINANCIAL STATEMENTS

EXHIBIT I: GENERAL RELEASE FORM

EXHIBIT J: RFR Agreement (Optional)

EXHIBIT K: RECEIPT (Franchisor Copy)

EXHIBIT K: RECEIPT (Franchisee Copy)

FRANCHISE DISCLOSURE DOCUMENT

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

To simplify the language in this Disclosure Document, the "Company", "us" and "we" means JDog Carpet Franchising, LLC, a Delaware limited liability company. "You" means the person who buys a franchise. If you are a corporation, partnership, or entity, "you" includes your owners.

The Franchisor, Its Parent, Predecessors and Affiliates

We are JDog Carpet Franchising, LLC, a Delaware limited liability company formed on March 19, 2019. Our principal business address is located at 1021 Old Cassatt Road, Suite 100, Berwyn, PA 19312. We are wholly owned by our parent company, JDog Carpet Services, LLC, a Delaware limited liability company formed on January 2, 2019. Its principal business address is located at 1021 Old Cassatt Road, Suite 100, Berwyn, PA 19312.

JDog Franchises, LLC a Delaware limited liability company formed on June 16, 2014. Its principal business address is located at 1021 Old Cassatt Road, Suite 100, Berwyn, PA 19312. Its parent company is JD Investment Company, LLC, a Delaware limited liability company formed on April 30, 2014 whose principal business address is also 1021 Old Cassatt Road, Suite 100, Berwyn, PA. JDog Franchises, LLC offers franchises for the operation of retail junk removal businesses under the name JDog Junk Removal & Hauling since its inception in 2014. As of its most recently concluded fiscal year, there were 141 JDog Junk Removal & Hauling franchised businesses.

J Dog Holdings, LLC, a Delaware limited liability company formed in November of 2012 is our affiliate. Its principal business address is 1021 Old Cassatt Road, Suite 100, Berwyn, PA 19312. It owns the Marks referenced in Item 13 of this Disclosure Document. It licenses to us the right to use and license these Marks.

JDog Corporate Services, LLC, a Delaware limited liability company formed in October of 2016 is also our affiliate. Its principal business address is also 1021 Old Cassatt Road, Suite, 100, Berwyn, PA 19312.

Our Business Operations

We grant franchises to qualified candidates in the United States for the operation of franchise businesses identified by the name of JDog Carpet Cleaning (the "Franchised Business" or "Carpet Cleaning Business"). We have offered these franchises since 2019.

We have not offered franchises in any other lines of business. Other than as stated above, neither we nor our predecessors or affiliates have offered franchises in any other lines of business or provide products or services to our franchisees.

JDog Carpet Franchising, LLC offers franchises exclusively to honorably discharged US Armed Forces Veterans, Military Families, Active Duty Personnel, Reservists and National Guardsmen.

The System

Gerald "Jerry" Flanagan, our CEO, along with Dana Forester, our Vice President of Operations, developed a novel method for operating and franchising carpet cleaning businesses (the "System").

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The System includes brand development, general and brand specific training through JDog University™, marketing programs, and access to the mark "JDog Carpet Cleaning" and related marks.

You will operate your franchised business in a specific territory encompassing a geographic area with a typical radius of up to 25 miles and with a population of up to 200,000 people. This is determined by zip code, income and demographic data. You are free to operate your franchised business in adjacent zip codes, so long as you do not infringe on the territory of another JDog Carpet Cleaning business.

Competition

You will face competition from other local and national carpet cleaning businesses, as well as do it yourself rental services.

Market and Regulatory Matters

There is an established and recognized market for residential and commercial carpet cleaning services. Our system was developed in response to a growing demand for dependable, professional, and trust-worthy carpet cleaning services. In addition, the System responds to American consumers' desire to support veteran owned and operated businesses as consumers appreciate the character and strong work ethic offered by members and veterans of the US Armed Forces.

It will be your responsibility to research and abide by all relevant federal, state and local laws and regulations, including those specific to carpet cleaning businesses. You will be required to comply with all general business regulations as well as those pertaining to the possession and operation of commercial vehicles. The Franchised Business will offer retail carpet cleaning services to residential and commercial clients. Health regulations, as well as other state and local specific safety and workplace regulations may impact the types of training, devices, and equipment you must make available to or be required to offer to your employees. The health and safety requirements can vary from jurisdiction to jurisdiction and specific inquiry should be made with your state and local authorities. Your Franchised Business will also be subject to various federal, state and local laws and regulations affecting the business, including, among others, federal, state and local laws, rules and regulations governing franchising, licensing, permits, federal and state environmental protection statutes, OSHA, and other federal, state and local laws regarding hazardous substances and waste, and various health, sanitation, safety and fire standards. You are also subject to employment laws such as the EEOC, Fair Labor Standards Act, Americans with Disabilities Act and various state laws governing such matters as minimum wages, overtime, and working conditions. Your advertising of the Franchised Business is regulated by the Federal Trade Commission.

There may be federal, state, and local laws which affect your Franchised Business in addition to those listed here. We urge you to make inquiries about laws that may be applicable to your Franchised Business. Because our industry is regulated, you must be aware of all regulations and keep apprised of changes that may have an impact on your Franchised Business. We have not determined the licensing requirements in your proposed territory, or whether it is possible to obtain such licenses. You are solely responsible for determining licensing requirements in your proposed

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territory before you sign the Franchise Agreement. You should obtain a complete copy of your state's and other applicable statutes and regulations and discuss them with your attorney.

Our agent for service of process in Pennsylvania is Gerald Flanagan, with an address of 1021 Old Cassatt Road, Suite 100, Berwyn, PA 19312. Our agents for service of process for other states are identified by state in Exhibit A to this Franchise Disclosure Document. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above where we have appointed an agent for service of process. There may also be additional agents appointed in some states listed.

ITEM 2 - BUSINESS EXPERIENCE

CEO: Gerald "Jerry" Flanagan

January 2019 to Present
JDog Carpet Services, LLC (Berwyn, PA), CEO

June 2014 to Present
JDog Franchises, LLC (Berwyn, PA), President and CEO

June 2014 to Present
J Dog Holdings, LLC (Berwyn, PA), President

June 2014 to Present
JD Investments LLC (Berwyn, PA), President

August 2016 to Present
JDog Handyman, LLC (Berwyn, PA), President and CEO

August 2018 to Present
The JDog Foundation (Berwyn, PA), CEO/Executive Director

Chairman: Christopher J. Debbas

January 2019 to Present
JDog Carpet Services, LLC (Berwyn, PA), Chairman

September 2014 to Present
J Dog Holdings, LLC (Berwyn, PA), Chairman

June 2014 to Present
JDog Franchises, LLC (Berwyn, PA), Chairman

May 2014 to Present
JD Investment Company, LLC (Berwyn, PA), Chairman

July 2014 to Present
Advanced Call Center Technologies of Jamaica, LLC (Berwyn, PA), Chairman

April 2011 to Present
SPA Car Wash Systems, LLC (Berwyn, PA), President

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January 2010 to Present
ACCT Holdings, LLC (Berwyn, PA), Chairman
January 2010 to Present
Advanced Call Center Technologies, LLC (Berwyn, PA), Chairman
January 2010 to Present
Julip Run Capital, LLC (Berwyn, PA), President
January 2010 to Present
CDV Management, LP (Berwyn, PA), Partner
January 2010 to Present
CDV Equity Associates, LP (Berwyn, PA), Partner
January 2010 to Present
CD Ventures, Inc. (Berwyn, PA), President
January 2010 to Present
InDitto, LLC (Berwyn, PA), President

Chief Financial Officer: James R. Griffiths
January 2019 to Present
JDog Carpet Services, LLC (Berwyn, PA), Chief Financial Officer
September 2014 to Present
J Dog Holdings, LLC (Berwyn, PA), Vice President
June 2014 to Present
JDog Franchises, LLC (Berwyn, PA), Vice President and Chief Financial Officer
May 2014 to Present
JD Investment Company, LLC (Berwyn, PA), Vice President
July 2014 to Present
Advanced Call Center Technologies of Jamaica, LLC (Berwyn, PA), Executive Vice President
April, 2011 to Present
Spa Car Wash Systems, LLC (Berwyn, PA), Vice President/CFO
January, 2010 to Present
Advanced Call Center Technologies, LLC (Berwyn, PA), Executive Vice President
January 2010 to Present
ACCT Holdings, LLC (Berwyn, PA), Executive Vice President
January 2010 to Present
Julip Run Capital, LLC (Berwyn, PA), Vice President
January 2010 to Present
CDV Management, LP (Berwyn, PA), Vice President
January 2010 to Present
CDV Equity Associates, LP (Berwyn, PA), Vice President
January 2010 to Present
CD Ventures, Inc. (Berwyn, PA), Vice President

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January 2010 to Present
Inditto, LLC (Berwyn, PA), Vice President

Vice President of Operations: Dana Forester

January 2019 to Present
JDog Carpet Services, LLC (Berwyn, PA), Vice President of Operations
February 2016 to Present
JDog Franchises, LLC (Berwyn, PA), Director of Operations
October 2013 to October 2016
Professional Services, Inc. (Royersford, NJ), Emergency Services Dispatcher

Vice President of Franchise Development: Terry Corkery

January 2019 to Present
JDog Carpet Services, LLC (Berwyn, PA), Director of Franchise Development
August 2018 to Present
JDOG Franchises, LLC (Berwyn, PA), Director of Franchise Development
August 2016 to August 2018
Driven Brands (Charlotte, NC), Franchise Development and Real Estate Manager
October 2015 to July 2016
Seniors Helping Seniors (Reading, PA), Director of Franchise Development
January 2001 to June 2015
FranchiseWorks.com (Hatboro, PA), President & CEO

ITEM 3 - LITIGATION

No litigation information is required to be disclosed in this item.

ITEM 4 - BANKRUPTCY

JDog Carpet Franchising, LLC CEO, Gerald Flanagan filed a petition under the liquidation provisions of Chapter 7 of the U.S. Bankruptcy Code on June, 22 2010 prior to his involvement with the Company. In re Flanagan, No 10-15078-bif (Bankr. E.D. Pa. 2010). On September 30, 2010, the bankruptcy court entered a discharge.

No other bankruptcy information is required to be disclosed in this item.

ITEM 5 - INITIAL FEE

The initial franchise fee for a JDog Carpet Cleaning franchise Business ranges between $10,000 and $25,000 depending on the population of your territory ("Initial Fee"). The Tier 1 Initial Fee, which applies to territories with populations between 100,000 and 220,000, is $25,000. The Tier 2 Initial Fee, which applies to territories with populations between 50,000 and 100,000 people, is $15,000. The Tier 3 Initial Fee, which applies to territories with populations less than 50,000 people, is $10,000. All territories are limited to a 25 mile radius.

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You must pay us the Initial Fee in a lump sum when you sign the Franchise Agreement. The Initial Fee is not refundable in whole or in part under any circumstances.

The Initial Fee is uniformly imposed on all franchisees subject to this Disclosure Document. We reserve the right, but are not obligated, to reduce the Initial Fee for existing franchisees who elect to purchase additional franchises.

In addition to the Initial Fee, at the time you execute your Franchise Agreement, you may elect to enter into a three year right of first refusal agreement for an additional five thousand dollars ($5,000) with respect to a single territory adjacent to yours, with additional contiguous first refusal territories available for one thousand dollars ($1,000) per territory. These payments are non-refundable.

There are no other required payments or fees to be made to the franchisor or its affiliates for goods or services before the business opens.

ITEM 6 - OTHER FEES

Fee[1]	Amount	Due Date	Remarks
Royalty			

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Fee[1]	Amount	Due Date	Remarks
- Tier 1 Royalty[2]	(a) $800 each month for month one through twelve (1-12) of the Term; (b) $1200 each month for the months thirteen through twenty-four (13-24) of the Term; (c) $1600 each month for months twenty five through thirty-six (25-36) of the Term; (d) $2000 each month, for months thirty-seven (37) through the end of the Term.	First Business Day of Month via EFT or other means designated by Franchisor	Royalty Fee to be paid via EFT or other means designated by franchisor.
- Tier 2 Royalty	(a) $400 each month for month one through twelve (1-12) of the Term; (b) $600 each month for the months thirteen through twenty-four (13-24) of the Term; (c) $800 each month for months twenty-five through thirty-six (25-36) of the Term; (d) $1000 each month, for months thirty-seven (37) through the end of the Term.	First Business Day of Month via EFT or other means designated by Franchisor	Royalty Fee to be paid via EFT or other means designated by franchisor.
- Tier 3 Royalty	$500 each month	First Business Day of Month via EFT or other means designated by Franchisor	Royalty Fee to be paid via EFT or other means designated by franchisor.

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Fee[1]	Amount	Due Date	Remarks
Transfer	$10,000, plus any broker fee payable by franchisor as a result of your transfer.	$5,000 upon announcing intention; $5,000 upon approval of transfer.	If you sell your franchise to a prospect who is subject to a commission payable by us, you must pay the commission upon transfer.
Renewal	$10,000	Six months before the expiration of current term	None.
Marketing Fund	Currently $0, not to exceed $300 per month.	First Business Day of Month via EFT or other means designated by Franchisor	None.
Required Minimum Expenditure for Local Marketing and Advertising	Minimum of the greater of 2% of previous month gross sales[3] or $500.00 per territory/month.	As incurred.	Payable to third parties. All advertising must be pre-approved.

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Fee[1]	Amount	Due Date	Remarks
Initial Marketing Fee	$3,000.00 to $6,000.00	Thirty (30) days prior to through the first thirty (30) days of operation.	Payable to third parties. We will determine how you must expend the Initial Marketing Fee on marketing and promoting your Franchised Business as part of your grand opening. Marketing will consist of all forms of marketing and advertising we deem effective, in our sole discretion.
Local Advertising Cooperative	Currently $0. If advertising cooperative is created, must contribute the greater of 2% of the previous month's sales or $500.00 per territory/month.	First Business Day of Month via EFT or other means designated by Franchisor	Each outlet in the cooperative, whether franchised or affiliate-owned, shall have one vote to determine any fees or other requirements imposed by the advertising cooperative. No cooperatives will be formed or maintained that result in our affiliate-owned outlets having a controlling voting power.
Right of First Refusal Fee	$5,000 for first and $1,000 for each additional territory.	When right is granted	None.
Late Payment	$100 for first occurrence; $200 for second occurrence; $300 for third occurrence and subsequent occurrences[4]	Immediately upon notice by Franchisor	Fee is incurred should you fail to make a required payment pursuant to the terms of your Franchise Agreement.

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Fee[1]	Amount	Due Date	Remarks
Payments to Vendors	Reimbursement of amount paid by Franchisor, plus (i) $50 for first occurrence; (ii) $100 second occurrence; and (iii) $150 for third occurrence[5]	Within 30 days of Franchisor's payment to Franchisee's vendors	Fee is incurred should you fail to make a required payment to a vendor and Franchisor makes a payment on your behalf to prevent such service from being terminated.
Territorial Policy	$500 for first occurrence; $1,000 for second occurrence and subsequent occurrences6	Immediately upon notice by Franchisor	Fee is incurred should you fail to obey the Territorial Policy as defined in the Operations Manual, including, but not limited to, performing a job in another franchisee's territory.
Product or Supplier Evaluation	Reimbursement of our costs and expenses.	Immediately upon notice by Franchisor	Fee is incurred if you request that we evaluate a proposed new product or supplier for the System.
Additional Email Fee	$12 per month per additional email address	Monthly as incurred	Two emails per territory are provided to the franchisee at no cost. Subject to change based upon third-party pricing.
Retraining	Reimbursement of our costs and expenses, plus our trainers' hourly rate for retraining (currently $0).	Immediately upon notice by Franchisor.	See footnote 7.
Technology Fee	Currently $0	As determined by Franchisor.	We do not currently charge a technology fee, but reserve the right to do so in the future.

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[1]Unless otherwise noted, all fees are uniformly imposed by and payable to JDog Carpet Franchising, LLC and are non-refundable.
[2]The Royalty Fee depends on the population of your Territory. The Tier 1 Royalty applies to territories with populations between 100,000 and 220,000. The Tier 2 Royalty applies to territories with populations between 50,000 and 100,000. The Tier 3 Royalty applies to territories with populations of less than 50,000.
[3]The term "gross sales" means all money received by you in the operation of the Franchised Business, less any sales taxes actually paid by you and any customer refunds or adjustments you make.
[4]Franchisee is subject to termination after 3rd occurrence in a twelve month period.
[5]Franchisee is subject to termination for a fourth or subsequent occurrence.
[6]Franchisee is also required to forfeit any fees paid earned from activity that violates the Territorial Policy. Franchisee is subject to termination for a third or subsequent occurrence.
[7]In the event that we determine you are not operating your Franchised Business in accordance with the System and the Franchise Agreement, we have the right to send our representatives to your Franchised Business location to conduct retraining as we determine appropriate. If we send our representatives to your Franchised Business location for retraining, you must reimburse us for all out-of-pocket costs incurred in connection with such retraining, including all transportation, lodging and meal expenses incurred by our representatives. Although we currently do not do so, we reserve the right to charge you a reasonable hourly rate for our representatives' retraining.

ITEM 7 - ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Initial Franchise Fee[1]	$10,000	$25,000	Lump Sum	When you sign the Franchise Agreement	Us
Approved vehicle[2]	$3,000	$65,000	Lump Sum/ Deposit	As Incurred	Vehicle owner/dealer

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Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Equipment, uniforms, misc. [3]	$3,609	$13,197	Lump Sum	At inception	Suppliers
Permits & Licenses[4]	$200	$750	As Incurred	As Incurred	Governmental Authorities
Signage-vehicle wrap[5]	$0	$4500	As Agreed	As Incurred	Supplier
Insurance[6]	$750	$6,000	As Required by Vendor	As Required by Vendor	Insurance Carrier/Broker
Cell phone, computer, email[7]	$350	$2,850	As Incurred	As Incurred	Supplier
Required software[7]	$150	$150			
Professional Fees	$500	$2,000	As Incurred	As Incurred	Various
Travel, accommodations and meals during Initial Training[8]	$300	$5,000	As Incurred	As Incurred	Various
Storage Unit or Warehouse[9]	$50	$1,500	As required by landlord	As required by landlord	Landlord
Initial Marketing[10]	$3,000	$6,000	As Incurred	Used within 30 days before and/or after your opening date.	Kept in account and verification of expenditures as requested

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Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Initial Inventory[11]	$7,000	$8,000	As incurred	As incurred	Various
Additional Funds 3 months[12]	$9,000	$30,000	As Incurred	As Incurred	Various
Total[13]:	**$37,909 to $169,947**				

[1] The Initial Franchise Fee is $10,000 to $25,000 depending on population size. The Tier 1 Initial Fee of $25,000 applies to territories with populations between 100,000 and 220,000. The Tier 2 Initial Fee of $15,000 applies to territories with populations between 50,000 and 100,000. The Tier 3 Initial Fee of $10,000 applies to territories with populations of less than 50,000.

[2] You must purchase or lease the truck we designate for your JDog Carpet Cleaning Business from an approved vendor that comes with a carpet-cleaning machine. Our current approved vendor is The Butler Corporation, subject to change in our sole discretion. You may purchase either a new or refurbished vehicle, and your vehicle must have preferred equipment packages 1, 2 and 3 with a mid-mount tank. The low end of the estimate in the above chart assumes you will lease the vehicle with no down payment required, and includes the first three months of your lease payments, and the high end of the estimate assumes that you will purchase the vehicle outright. We recommend you choose to lease or finance, to reduce your upfront cash requirement. All vehicles must be pre-approved and must wear our standard graphics.

[3] Estimate, subject to changes and regional variations in the market for such items. Prospective Franchisee is strongly encouraged to research the current cost of such items in the intended market area. You must purchase uniforms as required in Operations Manual.

[4] The cost of permits and licenses are specific to the Franchisee's selected state and local government. The cost provided is strictly an estimate and a prospective Franchisee is strongly encouraged to research governmental requirements for their specific area

[5] Reflects choices of financing the wrap/graphics for vehicle within the vehicle loan itself or payment in full. Pricing will vary depending on the type of vehicle purchased/leased. You should inquire before selecting these items.

[6] This three month estimate is based on monthly fees ranging from $250 to $2,000. Insurance premiums may vary based on the Franchisee previous claim history and/or their selected area of operations for their Franchised Business.

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[7] You must have a dedicated laptop computer with internet access and must license or purchase the software we designate. The designated software we require for scheduling is provided by Vonigo, which charges an initial account setup and training fee of $150, and thereafter charges monthly license fees between $70 and $200, depending on the number of users. You must also have a cell phone with a separate phone number for accepting business calls. Two emails per territory are provided to the franchisee at no cost. Each additional email is paid for monthly as reflected in the Operations Manual. You must only use the emails provided by Franchisor in the operation of your Franchised Business.

[8] The low end of this estimate assumes that you and one (1) employee are the sole trainees and are within driving distance of our JDog University™ training location. The high end of this estimate includes travel to and from the JDog University™ training location, food and hotel accommodations for you and up to one (1) employee for six (6) days and six (6) nights. If the franchisee is a corporate entity, all voting shareholders or members, directors, officers and management must complete the initial training to our satisfaction. This estimate assumes that you are the franchisee, or that you are the sole member or shareholder of a corporate entity franchisee. There is currently no additional charge for additional trainees beyond the allotted two (2) trainees to attend the initial training program which you attend; however, your costs and expenses will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expense.

[9] We assume that you will work from a home office. You will need space for storing supplies, chemicals and equipment. This may be in a garage you already own, a storage unit or a commercial space. This estimate represents a one (1) month deposit of rent for a storage unit, which will vary depending on the size and location of the storage unit.

[10] You must expend the Initial Marketing funds from the 30 days prior to, through the first 30 days of operation of the Franchised Business on marketing and promoting your Franchised Business in the Territory, as part of your grand opening. $3,000 is the minimum requirement; however we may recommend a higher amount in certain markets, based on costs and conditions in your area.

[11] This estimate includes cleaning agents and cleaning supplies, such as sprayers, brush heads, brushes, and groomers for the initial period of your carpet cleaning business.

[12] The estimate of additional funds for the initial period of your carpet cleaning is based on estimated operating expenses for the first three months of operation. Factors such as cost of living, cost of rental space, and cost of hiring additional help can all play a role in calculating this figure. The additional funds required will vary by the area.

[13] We do not provide direct financing for any part of your initial investment. For information on assistance we may provide in your effort to secure third party financing, please refer to Item 10 of this Disclosure Document.

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All fees and payments are non-refundable, unless otherwise stated or permitted by the party to whom the payment is made.

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ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCT AND SERVICES

Required Purchases:

You must purchase or lease certain items for your Franchised Business meeting our specifications. These items include an approved vehicle outfitted to our specifications. All vehicles must be pre-approved and must wear the same standard graphics, truck wrap, signage, uniforms, marketing materials, tools, equipment and computers. You also must purchase a laptop computer from the vendor of your choosing which meets our standards and specifications provided in the Operations Manual. We will provide specifications for these products and services, and it will be up to you to find suppliers that meet our specifications. Specifications include, but are not limited to: performance, type and appearance for your truck (to be provided in Operations Manuals); memory, capacity and software capabilities of your computer; and capabilities of your telephone equipment (to be provided in Operations Manuals). Specifications and standards for these items are included in the Operations Manuals, and may be updated or modified periodically by us.

Required and Approved Suppliers:

Your Vehicle must comply with any minimum requirements listed in our Manual. You must purchase or lease the truck we designate for your JDog Carpet Cleaning Business from our approved vendor that comes with a carpet-cleaning machine. Our current approved vendor is The Butler Corporation, which may change in our sole discretion. You may purchase either a new or refurbished vehicle, and your vehicle must have preferred equipment packages 1, 2 and 3 with a mid-mount tank. Your service vehicle must be wrapped in our standard graphics according to our specifications from our designated vendor, Focus Graphics Fulfillment. You must regularly maintain and clean the vehicle according to our specifications, which are included in the Manual. Your vehicle must be operated by a duly licensed operator who must comply with all applicable traffic laws. Your vehicle must, at all times, be properly registered and insured according to our requirements. We currently require that you use Vonigo as your scheduling software.

You must maintain in sufficient supply, as we may prescribe in the Manual or otherwise in writing, and use at all times, only the products purchased from suppliers designated or approved by us, and any other products, materials, supplies, paper goods, fixtures, equipment, computer system, signs and other items as conform with our standards and specifications, and not deviate from those standards and specifications by the use of non-conforming items without our prior written consent.

We reserve the right to change required suppliers for particular products or services in the future. If we do so, we may also issue criteria for alternative supplier approval. We will update our Operations Manuals to reflect these required suppliers and criteria or they may be requested from us directly in writing on a case-by-case basis.

If you wish to use a supplier or product that has not previously been approved by us, you must make a request to us in writing for our approval of the supplier or product, including any pertinent information we require. We will notify you in writing within thirty (30) days if and when a product or supplier is approved, and our approval will not be unreasonably withheld. If we do not notify you within thirty (30) days if a product or supplier is approved, it is deemed "unapproved." You

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must reimburse us for our reasonable costs related to evaluating the proposed supplier or product. We reserve the right to re-inspect any supplier to ensure that the supplier continues to conform to our specifications and standards. If a supplier fails to conform to our specifications and standards, we may revoke our approval of the product or supplier, and you must immediately discontinue using the unapproved product and/or purchasing from unapproved supplier after notice from us. We do not make available our criteria for evaluating suppliers and/or products. We may permit you to purchase certain items from any supplier, as long as the product and/or the supplier meet our criteria.

Currently, neither we nor any of our officers own any interest in any supplier of any item you are required to purchase.

Insurance:

Franchisee will ensure that the following insurance coverage is placed and maintained during the entire Term and any duly exercised Renewal Term: (a) reasonable comprehensive public liability and property damage insurance, including personal and bodily injury liability, contractual liability, employers' liability, and owners' and contractors' protective insurance coverage with respect to the activities conducted by Franchisee and any employee, agent or other person performing work on behalf of Franchisee with respect to the Franchised Business, with a policy limit of not less than $1,000,000 per occurrence/$2,000,000 in aggregate or such greater amount as may be specified in writing by Franchisor from time to time and (b) reasonable owned and non-owned vehicle liability insurance with a policy limit of not less than $1,000,000 per occurrence/$2,000,000 in aggregate or such other amount as may be specified in writing from time to time by Franchisor for any vehicle used to any extent in the Franchised Business. The insurers, amounts and types of insurance shall be subject to prior written approval of Franchisor, which Franchisee will seek in a timely fashion. Franchisor may from time to time require that Franchisee cause such coverage to be added to or otherwise amended in accordance with recommendations of Franchisor's independent insurance advisor.

It is your responsibility to research and comply with any and all local insurance minimums, including but not limited to workers compensation and vehicle liability requirements.

Revenue from Franchisee Purchases:

We are not currently an approved supplier of any of these items, nor are any of our affiliates. We do not currently derive income based on your required purchases or leases and did not do so in our 2020 Fiscal Year. However, we reserve the right to collect income based upon a percentage or flat amount as determined by our agreement with the suppliers. The purchase and lease of items that meet our specifications or from approved suppliers will represent approximately fifty percent (50%) of your total expenses in connection with the establishment of the Franchised Business, and approximately fifty percent (50%) of your total expenses in connection with the ongoing operation of the Franchised Business.

Purchasing/Distribution Cooperatives:

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Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.

Purchase Arrangements:

From time to time, we may negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees. As of the date of this Disclosure Document, we have not created any purchasing arrangements with suppliers.

Benefits from Purchases:

Currently, we do not provide material benefits (for example, renewal or granting additional franchises) to a franchisee based on a franchisee's purchase of particular products or services or use of particular suppliers.

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ITEM 9 – FRANCHISEE'S OBLIGATIONS

The following table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Not Applicable	Not Applicable
b. Pre-opening purchases/leases	2.3, 3, 5.1	5, 6, 7, 9
c. Site development and other pre-opening requirements	2.3, 3, 4, 5	5, 6, 7, 9
d. Initial and ongoing training	13.1, 13.2	9, 11
e. Opening	2.3	11
f. Fees	3, 9.4, 9.5, 16 (b)	5, 6
g. Compliance with standards and policies/Operating Manual	7.1, 12.1	8, 9, 15, 16
h. Trademarks and proprietary information	11	13, 14
i. Restrictions on products/services offered	7.2, 7.3, 7.4, 7.5, 7.6	16
j. Warranty and customer service requirements	12.3, 12.6	Not Applicable
k. Territorial development and sales quotas	2.1, 2.2	12
l. Ongoing product/service purchases	12.6	7
m. Maintenance, appearance and remodeling requirements	5.3	8
n. Insurance	12.12	7
o. Advertising	9	6, 7, 11
p. Indemnification	19.1	13
q. Owner's participation/management/staffing	10.1, 10.2	15
r. Records and reports	8.3, 12.5, 12.8	21

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Obligation	Section in Franchise Agreement	Item in Disclosure Document
s. Inspections/audits	12.8	Not Applicable
t. Transfer/Assignment	17	17
u. Renewal	16	17
v. Post-termination obligations	2.5, 14, 15	17
w. Non-competition covenants	18	17
x. Dispute resolution	19.12, 19.13	17
y. Other		

ITEM 10 - FINANCING

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

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

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

Pre-Opening Assistance

Before you open your Franchised Business, the Company will:

1. Provide electronic artwork for advertising use, specifications for marketing materials, equipment and other materials related to the operation of your franchise (Franchise Agreement, Sections 5,7 and 12);
2. Provide Franchise Business with on-line and/or electronic access to our Operations Manual (Franchise Agreement Section 13); a copy of the Table of Contents of the Operations Manual is attached as Exhibit "C" to this Disclosure Document. Since our manual is electronic, this represents an approximation of how many pages would be devoted to each topic, were the manual in paper form. In total, the current Operations Manual would represent approximately 60 pages, if printed. You may not copy or print the Operations Manual without permission of JDog Carpet Franchising, LLC;
3. Provide initial JDog University™ training program for you and up to one (1) employee, which you both must complete to our satisfaction. The JDog University™ training program consists of both in-class and in-field training (Franchise Agreement Sections 10 and 13).
4. Provide current list of suggested prices for the Services (Franchise Agreement Section 7.4).
5. Provide a written list of equipment, signage, supplies and products that will be required to open the Franchised Business. We and our affiliates are not obligated to install any of these items. We will include specifications for standards for equipment, signage, supplies and products, and it will be up to you to find suppliers that meet our specifications (Franchise Agreement Sections 7.3, 7.5, 12.2).
6. Provide you with standards for qualifications and training of your employees. We do not otherwise assist you with employee hiring and training (Franchise Agreement, Section 10.2).
7. Provide you with written standards and specifications for accounting, bookkeeping, and inventory control via the Operations Manual or otherwise (Franchise Agreement, Section 11.9)

Post-Opening Assistance

During the operation of the Franchised Business, the Company will:

1. Provide electronic access to our confidential Operations Manuals (Franchise Agreement, Section 13.3);
2. Administer and maintain the JDog Carpet Cleaning website, www.jdogcarpetcleaning.com, which will list and may include a page specific to the Franchised Business location, with your contact information;

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3. Provide you with general advice, assistance and field support as we deem helpful to you in the ongoing operation, advertising and promotion of the Franchised Business (Franchise Agreement, Section 13.4);
4. Coordinate and conduct periodic JDog University™ training programs for franchisees as we in our sole discretion deem necessary (see Franchise Agreement, Section 13.1);
5. On a periodic basis, conduct inspections of the Franchised Business and its operations and evaluations of the methods and staff employed at the Franchised Business (Franchise Agreement, Section 13.3).
6. Provide notice of any changes to suggested prices for Services (including any temporary promotional changes) (Franchise Agreement, Section 7.4). Such changes shall be effective upon receipt, unless otherwise stated in the notice. You are under no obligation to adhere to the suggested prices, but should be aware that promotional and marketing materials and campaigns prepared and provided by us may include such prices.
7. Provide a representative during normal business hours and subject at all times to availability of our personnel, via correspondence, telephone, or email, for consultation and guidance with respect to operation or management of the Franchised Business (Franchise Agreement, Section 13.4).
8. Provide you with any updated written specifications for required equipment, products and services and updated lists of any approved suppliers of these items, as well as updated written specifications for services offered by the Franchised Business (Franchise Agreement, Sections 7.3, 7.5).

Advertising and Promotion (Franchise Agreement, Sections 9.3, 9.4, 9.5)

Initial Marketing Fee. The Initial Marketing Fee is $3000 - $6,000. We will determine how you must expend the Initial Marketing Fee from the 30 days prior to, through the first 30 days of operation of the Franchised Business on marketing and promoting your Franchised Business in the Territory, as part of your grand opening. Marketing will consist of all forms of marketing and advertising we deem effective, in our sole discretion. This may include, but is not limited to traditional print, electronic and social media. We may request proof of such expenditures.

National Advertising and Marketing Fund. We may establish a national advertising and marketing fund for JDog Carpet Cleaning Businesses (the "**Marketing Fund**"). If we establish a Marketing Fund, you must contribute to the Marketing Fund in an amount up to $300 per month ("**Marketing Fund Contribution**"). JDog Carpet Cleaning Businesses owned by us or our affiliates will contribute to the Marketing Fund on the same basis as our franchisees. As of the date of this Disclosure Document, we have not established or used a national advertising fund.

We will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic market, media placement and allocation. The Marketing Fund may pay for producing video, audio, written materials and other electronic media; developing, implementing, and maintaining the Franchise System Website (defined below) or related websites that promote JDog Carpet Cleaning Businesses and/or related strategies; administering regional and multi-regional marketing and advertising programs (including purchasing trade journal, direct mail, and other media advertising); using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The

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Marketing Fund may advertise locally, regionally, and/or nationally in printed materials, on radio, and/or on the Internet, whichever we think best. The Marketing Fund may periodically give you samples of advertising, marketing, and promotional formats and materials at minimal or no cost. The Marketing Fund may sell you multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Marketing Fund separately from our other funds. We may use the Marketing Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund, the Marketing Fund's other administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to Marketing Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Marketing Fund and its programs, including market research, public relations, preparing materials, and collecting and accounting for Marketing Fund Contributions.

The Marketing Fund is neither our asset nor a trust. We have an obligation to hold all Marketing Fund Contributions for the benefit of the contributors and to use Marketing Fund Contributions only for their permitted purposes described above. We have no fiduciary obligation to you for administering the Marketing Fund. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Marketing Fund Contributions to pay costs before spending the Marketing Fund's other assets. Any funds remaining in the Marketing Fund at the end of the year will roll over to the next year. While we will not use any Marketing Fund Contributions principally to solicit new franchise sales, we do reserve the right to include a notation in any advertisement indicating "franchises available to honorably discharged US Armed Forces Veterans, Military Families, Active Duty Personnel Reservists and National Guardsmen" (with our contact information). As of the date of this Disclosure Document, we have not collected any Marketing Fund Contributions.

We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give it to you upon written request. The Marketing Fund is not audited currently. We may choose to have the Marketing Fund audited annually, at the Marketing Fund's expense, by an independent certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity when we think appropriate. Our successor entity will have all of the rights and duties described here.

The purpose of the Marketing Fund is to maximize recognition of the applicable Marks and patronage of JDog Carpet Cleaning Businesses. Although we will try to use the Marketing Fund to develop advertising and marketing materials and programs, and to place such materials that will benefit all JDog Carpet Cleaning Businesses, we cannot ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to Marketing Fund Contributions by contributors operating in that geographic area or that any contributor benefits directly or in proportion to its Marketing Fund Contribution from the development of advertising and marketing materials or the placement of advertising.

We may use collection agents and institute legal proceedings to collect Marketing Fund Contributions at the Marketing Fund's expense. We also may forgive, waive, settle, and

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compromise all claims by or against the Marketing Fund. Except as otherwise disclosed, we assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

We may at any time defer or reduce the Marketing Fund Contribution and, upon 30 days' prior written notice to you, reduce or suspend Marketing Fund Contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will distribute all unspent monies to franchise owners, and to us and any of our affiliates, in proportion to their, and our, respective Marketing Fund Contributions during the preceding 12-month period.

Advertising Counsel Composed of Franchisees

We do not have an advertising council composed of franchisees that advises us on advertising policies. If we choose, in our discretion, to create a franchisee advertising advisory council to communicate ideas, including proposed advertising policies, we will determine in advance how franchisees are selected to the council. We reserve the right to change or dissolve such council at any time.

Local Advertising. Each calendar month, you agree to spend a Local Advertising Expenditure of the greater of (a) $500 per territory or (b) 2% of your Gross Sales during the previous calendar month, to advertise and promote your JDog Carpet Cleaning Business (including the costs of online advertising). Upon our request, you must send us, in the manner we prescribe, an accounting of your Local Advertising Expenditures during the preceding months.

Your local advertising and promotions must follow our guidelines. All advertising and promotional materials developed for your JDog Carpet Cleaning Business must contain notices of our Franchise System Website's (defined below) domain name in the manner we designate. All advertising, promotion and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethics and our advertising and marketing policies.

All advertising, promotion and marketing must conform to our System Standards. You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You must send us for approval samples of all advertising, promotional and marketing materials which we have not prepared or previously approved at least 10 days before you intend to use them. If we do not approve the materials within 5 days of our receipt of such materials, then they shall be deemed disapproved. You may not use any advertising, promotional or marketing materials that we have not approved or have disapproved.

Local Advertising Cooperative. We, our affiliates, or our designees may establish a local advertising cooperative ("**Local Advertising Cooperative**") in geographical areas in which 2 or more JDog Carpet Cleaning Businesses are operating. If we establish a Local Advertising Cooperative the franchisee will contribute the greater of $500.00 or 2% of Gross Sales per month. This contribution will count towards the Local Advertising amount required to be spent by the franchisee. The Local Advertising Cooperative will be organized and governed by written documents in a form and manner, and begin operating on a date, that we determine in advance.

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Such written documents will be available for participating franchisees to review. We may change, dissolve and merge Local Advertising Cooperatives. Each Local Advertising Cooperative's purpose is, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials for the area that the Local Advertising Cooperative covers. If, as of the time you sign the Franchise Agreement, we have established a Local Advertising Cooperative for the geographic area in which your JDog Carpet Cleaning Business is located, or if we establish a Local Advertising Cooperative in that area during the Franchise Agreement's term, you must sign the documents we require to become a member of the Local Advertising Cooperative and to participate in the Local Advertising Cooperative and contribute your share to such cooperative program as those documents require. Your Local Advertising Cooperative contribution will be credited to your Local Advertising Expenditure described above and may be capped based on the provisions of the by-laws adopted by the Local Advertising Cooperative, subject to our approval. You will pay these monies to us electronically and we will remit them periodically to the Local Advertising Cooperative. JDog Carpet Cleaning Businesses owned by us or our affiliates will contribute to the appropriate Local Advertising Cooperative on the same percentage basis as franchisees.

Each JDog Carpet Cleaning Business contributing to the Local Advertising Cooperative's area will have 1 vote on matters involving the activities of the Local Advertising Cooperative. The Local Advertising Cooperative may not use any advertising, marketing or promotional plans or materials without our prior written consent. We will assist in the formulation of marketing plans and programs, which will be implemented under the direction of the Local Advertising Cooperative. Subject to our approval, the Local Advertising Cooperative will have discretion over the creative concepts, materials and endorsements used by it. The Local Advertising Cooperative assessments may be used to pay the costs of preparing and producing video, audio and written advertising and direct sales materials for JDog Carpet Cleaning Businesses in your area; purchasing direct mail and other media advertising for JDog Carpet Cleaning Businesses in your area; implementing direct sales programs; and employing marketing, advertising and public relations firms to assist with the development and administration of marketing programs for JDog Carpet Cleaning Businesses in your area.

The monies collected by us on behalf of a Local Advertising Cooperative will be accounted for separately by us from our other funds and will not be used to defray any of our general operating expenses. You must submit to us and the Local Advertising Cooperative any reports that we or the Local Advertising Cooperative require. Each Local Advertising Cooperative must prepare financial statements annually, which will be subject to review by participating franchisees.

You understand and acknowledge that your JDog Carpet Cleaning Business may not benefit directly or in proportion to its contribution to the Local Advertising Cooperative from the development and placement of advertising and the development of marketing materials. Local Advertising Cooperatives for JDog Carpet Cleaning Businesses will be developed separately, and no cooperative will be intended to benefit the others. We will have the right, but not the obligation, to use collection agents and to institute legal proceedings to collect amounts owed to the Local Advertising Cooperative on behalf of and at the expense of the Local Advertising Cooperative and to forgive, waive, settle and compromise all claims by or against the Local Advertising Cooperative. Except as expressly provided in the Franchise Agreement, we assume no direct or

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indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Local Advertising Cooperative.

Site Selection (Not Applicable)

We do not require you to secure a specific site or office space for your Franchise Business. You must however maintain sufficient space to operate computer and telephone equipment and maintain records pertaining to your Franchised Business. This can be a home office or a separate space at your discretion.

Opening a Franchised Business (Franchise Agreement, Section 2.3)

The typical length of time between signing of the Franchise Agreement and the operation of the Franchise Business is estimated to be six (6) to eight (8) weeks. Factors affecting this length of time usually include your availability for attending JDog University™ training sessions and your ability to purchase the required equipment and supplies from vendors.

Operations Manual (Franchise Agreement, Section 7.1, 11.9)

We will provide you with access to our Operations Manual to use in the operation of your Franchise Business. The manual is confidential and will remain our property. The current table of contents of the Operations Manual is attached to this Disclosure Document as **Exhibit C**. As our manual is now in electronic form, page numbers represent the approximate contents of each section if printed. We may modify the Operations Manual periodically to reflect changes in System Standards.

Franchise System Website.

We maintain a website ("**Franchise System Website**") to advertise, market, and promote JDog Carpet Cleaning Businesses, the products and services that they offer and sell, and the JDog Carpet Cleaning franchise opportunity. We may, but are not obligated to, provide you with a webpage on the Franchise System Website that references your JDog Carpet Cleaning Business. If we provide you with a webpage on the Franchise System Website, you must (i) provide us the information and materials we request to develop, update, and modify your webpage; (ii) notify us whenever any information on your webpage is not accurate; and (iii) if we give you the right to modify your webpage, notify us whenever you change the content of your webpage. We will own all intellectual property and other rights in the Franchise System Website, including your webpage, and all information it contains (including the domain name or URL for your webpage, the log of "hits" by visitors, and any personal or business data that visitors supply). We have the right to maintain websites other than the Franchise System Website.

We will maintain the Franchise System Website, and may use the Marketing Fund's assets to develop, maintain and update the Franchise System Website. We periodically may update and modify the Franchise System Website (including your webpage). We have final approval rights over all information on the Franchise System Website (including your webpage). We may implement and periodically modify System Standards relating to the Franchise System Website.

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Even if we provide you a webpage on our Franchise System Website, we will only maintain such webpage while you are in full compliance with the Franchise Agreement and all System Standards we implement (including those relating to the Franchise System Website). If you are in default of any obligation under the Franchise Agreement or our System Standards, then we may temporarily remove your webpage from the Franchise System Website until you fully cure the default. We will permanently remove your webpage from the Franchise System Website upon the Franchise Agreement's expiration or termination.

All advertising, marketing, and promotional materials that you develop for your JDog Carpet Cleaning Business must contain notices of the Franchise System Website's domain name in the manner we designate. Only we have the right to sell products sold by JDog Carpet Cleaning Businesses on the Internet through the Franchise System Website. You agree that you will not sell any JDog Carpet Cleaning products or services to customers on a Website through the Internet or through any alternative channels of distribution, except through sales methods designated by us.

Except as provided above, or as approved by us in writing, you may not develop, maintain or authorize any website (other than the Franchise System Website), domain name, URL address, or other online presence or other electronic medium that mentions your JDog Carpet Cleaning Business, links to the Franchise System Website or displays any of the Marks. If we approve the use of any such websites, other online presences or electronic mediums, including social networking websites (such as LinkedIn®, twitter®, facebook®, or YouTube®) in the operation of your JDog Carpet Cleaning Business, or the posting of messages relating to your JDog Carpet Cleaning Business on other websites, you will do so only in accordance with our guidelines. We reserve the right to require our approval of any message you compose for a social networking website or commentary for any other website before you post such message or commentary. We also reserve the right to revoke your approval to use any website at any time.

Computer System.

Prior to attending JDog University™ training, you must obtain and use the computer hardware, scheduling system and/or software we periodically designate to operate JDog Carpet Cleaning Businesses (the **"Computer System**"). Currently, the Computer System components consist of the following:

- 1 Laptop Computer with a Printer
- 1 Wireless Internet Modem
- Scheduling Software, currently Vonigo is the designated supplier
- Bookkeeping/accounting software, currently Quickbooks is the designated supplier

We estimate the cost of purchasing the laptop computer, the Internet modem and purchasing and licensing the scheduling software to range between $500 and $1,500. The scheduling software we currently require is provided by Vonigo. Vonigo charges a one-time initial initial account setup and training fee, and thereafter charges a monthly license fee of $70 for the first desktop user and $20 per each additional mobile user, with a maximum monthly license fee of $200, regardless of the number of users. We or our affiliates currently do not charge a

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technology fee but may do so in the future. You will be required to enter into a license agreement with us/our designated supplier for the scheduling software.

Over the term of your franchise, we may modify the specifications for and components of the Computer System and you agree to implement our modifications within 30 days after you receive notice from us, which may include purchasing, leasing and/or licensing new or modified computer hardware and/or software and obtaining service and support for the Computer System. You must pay for any additional or replacement proprietary software or technology that we, our affiliates, or a third-party designee licenses to you and for other maintenance and support services that we, our affiliates or a third-party designee provides during the Franchise Agreement's term. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over the Franchise Agreement's remaining term, you will incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service and support.

The Computer System will enable you to collect information about your market, clients, scheduling, prices, and sales. At our request, you are required to sign a release with any vendor of your Computer System providing us with unlimited access to your data. We and our affiliates currently have/reserve the right to have independent, unlimited access to all information relating to your JDog Carpet Cleaning Business generated by your use of the scheduling software. There are no contractual limitations on our and our affiliates' right to access this information and data. We also reserve the right to have independent access to other information on your Computer System in the future, such as your financial management system or software , if we determine it necessary to ensure your compliance with Franchise System standards and/or to assist us in improving the Franchise System overall.

Despite the fact that you agree to buy, license, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) your connectivity to the Computer System at all times; and (3) any and all consequences if the Computer System is not properly operated, maintained and upgraded. We estimate that your annual Computer System maintenance costs will range from $600 to $1,000.

Training Program (Franchise Agreement, Section 13.1)

TRAINING PROGRAM			
Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
Ops Set Up	1		Berwyn, PA
Social Media/Brand Standards	2		Berwyn, PA
Culture/Customer Service/Workforce	2		Berwyn, PA

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TRAINING PROGRAM			
Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
Guerilla Marketing	2		Berwyn, PA
Sales	2		Berwyn, PA
Business Ownership	1		Berwyn, PA
Jerry	.5		Berwyn, PA
Corporate Services	.5		Berwyn, PA
Carpet and Rug Cleaning	10		Berwyn, PA
Tile Cleaning	5		Berwyn, PA
Upholstery Cleaning	5		Berwyn, PA
Hardwood Clean/Polish	5		Berwyn, PA
Pressure Washing	5		Berwyn, PA
Battle Rhythm and Ops	5		Berwyn, PA
Total:	**46**		

We conduct the initial training every month, or as often as required the JDog University™ training facility in Berwyn, PA. There is currently no charge for attendance at initial training by you and one of your employees. You must, however, pay for all travel and living expenses for you and your attendee(s). You will be permitted to have at least two (2) attendees at initial training. Space permitting, we may allow you, at our discretion, to bring/send additional attendees at no additional charge, but you still must pay for all travel and living expenses for any additional attendees.

You, and if you are a corporate entity, all of your voting shareholders or members, directors, officers, and Management must complete JDog University™ Initial Training to the satisfaction of Franchisor prior to the Scheduled Opening Date. The Scheduled Opening Date is typically 6 to 8 weeks after the signing of the Franchise Agreement. We also reserve the right to offer and/or require additional training courses as we deem necessary.

Currently, our training is completed under the supervision of our Vice President of Operations, Dana Forester. Dana has been Vice President of Operations since our inception, and has been the Director of Operations of our affiliate, JDog Franchises, LLC, since 2016. Dana oversees all aspects of the JDog Carpet Cleaning brand operations, including product and service development,

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service methods and techniques, sales, marketing, brand development, technology and process management.

In the event that we determine you are not operating your Franchised Business in accordance with the System and the Franchise Agreement, we have the right to send our representatives to your Franchised Business location to conduct retraining as we determine appropriate. If we send our representatives to your Franchised Business location for retraining, you must reimburse us for all out-of-pocket costs incurred in connection with such retraining, including all transportation, lodging and meal expenses incurred by our representatives. Although we currently do not do so, we reserve the right to charge you a reasonable hourly rate for our representatives' retraining.

ITEM 12 – TERRITORY

You will receive a designated exclusive territory ("Territory") in which to operate the Franchised Business. Before signing the Franchise Agreement, we will determine your Territory by developing geographic areas with base populations of **between 100,000** and **220,000** persons for a Tier 1 territory ("Tier 1 Territory"); **between 50,000** and **100,000** persons for a Tier 2 territory ("Tier 2 Territory"); or **less than 50,000** persons for a Tier 3 territory ("Tier 3 Territory"). Territories are defined by a set of one or more contiguous zip codes, based on our experience, using data including but not limited to: zip code data, income and demographics. All territories are limited to a **25 mile radius**. Any territory with a population greater than 100,000 persons will be designated as Tier 1.

We will not establish a company-owned business or a franchise selling the same or similar goods and services under the same or similar trademarks within your Territory. We may, however, establish franchisor-owned locations or other franchises outside your Territory, regardless of proximity to the boundaries of your territory. Nothing in your Franchise Agreement prohibits us from soliciting business in your territory through alternative channels of distribution, like the internet, other than Franchised Businesses ("Alternative Channels"). We are not required to pay any compensation for soliciting or accepting orders through alternative channels inside the franchisee's territory.

Except for the JDog Carpet Cleaning business operated by our affiliate, neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned businesses which sell our products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent, provided such business it is not in direct competition with you.

There are no restrictions on your ability to relocate your Franchised Business, provided you relocate within your Territory and your new location meets the minimum standards outlined in the Operations Manual and in Item 8 of this Disclosure Document. Likewise, there are no restrictions on the number of Vehicles you may operate within your Territory, provided each Vehicle meets the minimum standards outlined in the Operations Manual and in Item 8 of this Disclosure Document and is operated within the territorial restrictions in this Item 12 and the Franchise Agreement.

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You do not acquire any rights to territories adjacent to yours, rights of first refusal or other similar rights by nature of entering into a franchise agreement with us; however, you may elect, at the time of execution of your Franchise Agreement, for an additional five thousand dollar ($5,000) fee (the "RFR Fee"), to enter into a three year right of first refusal agreement in the form attached as Exhibit J to this Franchise Disclosure Document (an "RFR Agreement") with respect to a single territory adjacent to yours, with additional contiguous RFR Territories available for $1,000 per territory. Upon execution of a Franchise Agreement, any remaining contiguous RFR Agreements will reset to three years.

You may not solicit business outside of your Territory through Alternative Channels, such as the internet, catalog sales, telemarketing, or other direct marketing without our prior written permission; however, you are free to operate and solicit business in any adjacent zip code so long as you do not infringe on the designated territory of any other JDog Carpet Cleaning business. Your establishment of goodwill or customer relationships outside of your Territory will not limit our right to open or franchise a JDog Carpet Cleaning Business that encompasses such territory, in which case, you would be excluded from that territory.

Your Territorial rights are not dependent upon achievement of a certain sales volume, market penetration or other contingency, and cannot be unilaterally altered by us without your permission.

ITEM 13- TRADEMARKS

JDog Holdings, LLC ("Licensor") is the owner of the Marks and has granted us the non-exclusive right to use the Marks and license to others the right to use the Marks in the operation of a JDog Carpet Cleaning Business in accordance with the System. JDog Holdings, LLC has filed an application for registration of the following Marks on the Principal Register of the United States Patent and Trademark Office.

MARK	REGISTRATION NO.	EFFECTIVE DATE	REGISTER
JDog Carpet Cleaning	5808688	July 16, 2019	Principal
	5823501	July 30, 2019	Principal

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Our affiliate, JDog Holdings, LLC, has granted us a license to use and sublicense to use the above mentioned Marks, dated March 28, 2019. The term of the license is for 15 years, which automatically renews for additional terms of 5 years. The license may be terminated if, pursuant to the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (a "Bankruptcy Law"), we commence a voluntary case or proceeding; consent to the entry of an order for relief against us in an involuntary case; consent to the appointment of a trustee, receiver, assignee, liquidator or other similar official; make an assignment for the benefit of our creditors; or admit in writing our inability to pay our debts as they become due; or if a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that is for relief against us in an involuntary case, or appoints a trustee, receiver, assignee, liquidator or similar official for us. Except as provided in this license agreement, there are no agreements currently in effect that significantly limit our rights to use or to license the use of the Marks in any manner material to the Franchised Business. If at any time during the Term or any exercised Renewal Term, we are forced to or deem it advisable to modify or discontinue use of any Marks or to adopt for use in the System any additional or substitute marks then you must promptly comply with such modification or discontinuance at your sole expense (unless such discontinuance or modification occurs during the first year of your Initial Term, in which case, we will bear the cost associated with a modification or discontinuance).

As of the date of this Disclosure Document with respect to both Marks: (1) all affidavits required by the USPTO have been filed; (2) there are no pending infringement, opposition or cancellation proceedings; and (3) there is no pending litigation involving ownership rights material to the franchise.

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in this state or the state in which the Franchised Business is located.

During the term of your Franchise Agreement, we will grant you the right to use these Marks in the operation of your Franchised Business within a territory. By Marks we mean the trade names, trademarks, service marks and logos used to identify JDog Carpet Cleaning (collectively, the "Marks"). There are no agreements currently in effect which significantly limit our right to use or license the use of such trademarks, service marks, trade names, logos types or other commercial symbols in any matter material to the Franchised Business.

You must use the names and marks in full compliance with provisions of the Franchise Agreement and in accordance with our standards. You cannot use any name or Mark as a part of any corporate name which any prefix, suffix or other modifying words, terms, designs or symbols. In addition, you may not use any name or Mark in any other manner not explicitly authorized in writing by us. You must affix a TM or some other symbol directed by us when using the other Marks, to indicate to the public that each of the Marks is a trademark belonging to or licensed to us. Additionally, on any printed materials bearing the Marks you must clearly indicate "Trademark licensed by JDog Carpet Franchising, LLC" or some other phrase designated or approved by us.

You may not directly or indirectly oppose our right to the trademarks, trade names, trade secrets or business techniques that are part of or licensed exclusively to JDog Carpet Cleaning.

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You must notify us immediately if you learn of a claim against your use of any of the Marks. We will take whatever action, if any, we deem appropriate. We will control any litigation or proceeding in which we defend you. We have no obligation to defend you or to take any legal action against others with respect to any claims related to your use of the Marks, but we will indemnify you against any lawsuits or damages incurred by you as a result of a successful claim of infringement brought by a third party and related to your use of a Mark in accordance with the terms of the Franchise Agreement.

ITEM 14 – PATENTS, COPYRIGHTS, PROPRIETARY INFORMATION

We may or may not register claims in patents or copyrights that are material to our business, but JDog Carpet Franchising, LLC does claim proprietary rights and copyrights to the confidential information contained in the Operations Manual. JDog Carpet Franchising, LLC also claims copyrights on operational materials specifically associated with the System, including the proprietary advertisements, all materials presented to prospective customers, printed materials and forms associated with the operation of a Franchised Business. We have the right to control any litigation involving any right we have or may acquire in any patent, copyright or application for either. You must promptly tell us when you learn about unauthorized use of this proprietary information or our intellectual property. We are not obligated to take any action, but will respond to this information as we deem appropriate. Our interests are to protect the integrity of the brand. We will not indemnify you for losses claimed by a third party concerning your use of this information. If at any time during the Term or any exercised Renewal Term, we are forced to or deem it advisable to modify or discontinue use of any proprietary information or our intellectual property, then you must promptly comply with such modification or discontinuance at your sole expense.

There are no current determinations of the USPTO, the U.S. Copyright Office or any court regarding patents or copyrights that are material to the Franchised Business.

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

We require that your Franchised Business be under the direct supervision, at all times, of one (1) full time general manager. If you are an individual, you will generally be the person who acts as general manager; however the general manager can be any person so long as they have been trained and thereafter approved by us. Each territory requires its own general manager. There is no requirement that the general manager own equity in you or your Franchised Business. We may request that you require your employees including your general manager to sign a Confidentially Agreement approved by us. Any and all principals of the franchisee are required to sign a personal guarantee.

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ITEM 16 - RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate the Franchised Business and perform all services in accordance with the Operating Guidelines and the standards established. We have an unlimited right to change the types of authorized business services that the Franchised Business provides to consumers.

Franchisee may only sell goods or services as approved by the franchisor either in the Operations Manual or otherwise in writing. There are no limits regarding customers to whom the franchisee may sell goods and services provided they do not infringe another franchisee's JDog Carpet Cleaning territory.

ITEM 17 – RENEWAL, TERMINATION, TRANSFER and DISPUTE RESOLUTION

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.

THE FRANCHISE RELATIONSHIP

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	2.4	15 years from the Scheduled Opening Date unless otherwise terminated.
b. Renewal or extension	16	An additional 15 year Term, under the then-current contract terms for new franchisees.
c. Requirements for franchisee to renew or extend	16	The requirements for you to renew are: (1) 9 to 12 months' notice; (2) meet our then-current requirements for franchisees; (3) not be in default or have been habitually in default; (4) sign our then-current form of Franchise Agreement; and (5) pay the renewal fee. When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by franchisee	Not Applicable	You may seek termination upon any grounds available by state law.

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
e. Termination by Franchisor without cause	17.5	See paragraph p. of this Item.
f. Termination by Franchisor with cause	14	We may terminate if you are in Material Default. In some circumstances you will get notice and an opportunity to cure. In some instances your franchise may be terminated immediately.
g. ”Cause” defined – curable defaults	14.1	a. failure to pay us, an affiliate, supplier, landlord, government authority, etc.; b. failure to offer an approved service or offering a non-approved service; c. failure to comply with any obligation under the Franchise Agreement not subject to immediate Termination.
h. “Cause” defined – non-curable defaults	14.1	a. Insolvency; b. Default on vehicle lease resulting in failure maintain minimum number of vehicles; c. attempted assignment or transfer without consent; d. cease operations for five (5) days or more; e. misuse of or failure to protect our Mark(s), know-how, copyrighted material, operations manual, or other intellectual property; f. false reports; g. illegal or misleading business acts; h. criminal conviction of your owners, officers or directors; i. 3 or more notices of default whether curable or non-curable; j. fail to pay vendors 4 or more times where Franchisor must effect a cure on your behalf

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
i. Franchisee's obligations on termination/non-renewal	15	Discontinue operations; payment of all accounts by bank draft; return all items belonging to Franchisor. Abide by non-compete (see r. below)
j. Assignment of contract by Franchisor	17.7	There are no restrictions on our right to assign.
k. "Transfer" by Franchisee – definition	17.1-2	a. Assignment or sale of this Agreement or any of the rights and privileges of the Franchisee, the Franchised Business or any part of it, or any share or interest in Franchisee; b. any change in the legal or beneficial ownership of voting units representing more than 10 percent of all outstanding voting units of a corporate franchisee.
l. Franchisor approval of transfer by Franchisee	17	You must obtain our written approval before any transfer
m. Conditions for franchisor approval of transfer	17.3	a. Our prior approval of any advertisement for sale; b. transfer fee paid; c. transferee must be approved by us and must sign then-current Franchise Agreement; d. return of Operations Manual and all other materials; e. releases signed by franchisee(s); f. completion of JDog University™ initial training by transferee; g. all agreements in good standing; h. assignment of any vehicle leases; i. Security Agreement signed.

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
n. Franchisor's right of first refusal to acquire franchisee's business	17.6	We have a right to match any offer to buy your Franchise Business
o. Franchisor's option to purchase your business	15.4	None, but we have the option to buy your supplies and equipment at termination or expiration of the Franchise Agreement.
p. Death or disability of franchisee	17.5	Estate has 6 mos. to assign to approved individual or entity. If not assigned within 6 mos., franchisor has right to terminate, unless prohibited by state law.
q. Non-competition covenants during the term of the franchise	18	You may not directly or indirectly compete within territory, within the metropolitan area where the territory is situated, within any a 15-mile radius of any territory in the System.
r. Non-competition covenants after the franchise is terminated or expires	18	Item q. above applies for 24 months after the expiration or termination of the Franchise Agreement including any exercised term.
s. Modification of the agreement	19.9	The Franchise Agreement may only be modified by a writing signed by you and us.
t. Integration/merger clause	19.8	Only the terms of the Franchise Agreement and other related agreements are binding (subject to applicable state law). No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
u. Dispute resolution by arbitration or mediation	19.13	All claims must be presented for period of 30 days before filing suit; during which time either party may demand non-binding mediation to be held at our Berwyn, PA offices. For claims and disputes not settled in mediation, such claims shall be submitted to arbitration in Philadelphia, PA. This provision is subject to state law.
v. Choice of forum	19.12-13	Subject to state law laws, litigation must be in Philadelphia, PA, except we may take action in other jurisdictions as may be necessary to obtain declaratory, injunctive, or other relief, subject to state law.
w. Choice of law	19.12	Subject to state law, Pennsylvania law applies for construction and interpretation of the Franchise Agreement, but does not give rise to statutory or regulatory claims that would not otherwise apply.

ITEM 18 - PUBLIC FIGURES

JDog Carpet Cleaning does not use any public figure to promote its franchises.

ITEM 19 - FINANCIAL PERFORMANCE REPRESENTATIONS

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

JDog Carpet Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either

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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 Jerry Flanagan at JDog Carpet Franchising, LLC, 1021 Old Cassatt Road, Suite 100, Berwyn, PA 19132, by phone at 1.844.438.5364 or by email atjerry@jdog.com.

ITEM 20 – OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System wide Summary
For Fiscal Years 2018 to 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	0	0	0
	2019	0	0	0
	2020	0	3	+3
Company/Affiliate*	2018	1	1	0
	2019	1	1	0
	2020	1	0	-1
Total Outlets	2018	1	1	0
	2019	1	1	0
	2020	1	3	+2

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than Franchisor)
For Fiscal Years 2018 to 2020

State	Year	Number of Transfers
None	2018	0
	2019	0
	2020	0

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State	Year	Number of Transfers
Total	2018	0
	2019	0
	2020	0

Table No. 3
Status of Franchise Outlets
For Fiscal Years 2018 to 2020

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
PA	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
SC	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
VA	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
Totals	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	3	0	0	0	0	3

Table No. 4
Status of Company Owned Units
For Fiscal Years 2018 to 2020

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
NC	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
Total	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0

Table No. 5
Projected Openings During 2021 Fiscal Year as of February 29, 2020

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State	Agreements Signed But Businesses Not Open	Projected New Franchisees In The Next Fiscal Year	Projected Company Owned Locations In Next Fiscal Year
Colorado	3	2	0
Georgia	1	3	0
Illinois	1	1	0
Maryland	0	3	0
New York	0	4	0
New Jersey	0	3	0
Pennsylvania	1	4	0
South Carolina	4	3	0
Texas	3	3	0
Utah	1	1	0
Virginia	2	3	0
TOTALS	16	30	0

The names, addresses and telephone numbers of our current franchisees as of February 29, 2020 are attached to this Franchise Disclosure Document as Exhibit G.

The name and last known address and telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recent completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date of this Franchise Disclosure Document is listed in Exhibit G attached to this Franchise 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 had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the JDog Carpet Cleaning System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchise organizations.

ITEM 21 – FINANCIAL STATEMENTS

Exhibit H contains our audited financial statements, which are comprised of the balance sheet as of February 29, 2020 and the related statements of operations and member's equity and cash flows for the period from March 19, 2020 (inception) through February 29, 2020, and the

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related notes to the financial statements. We were formed in January 2019. Because we have not been in business for three (3) years, we are not able to include the three (3) prior years of audited financial statements normally required by this Item 21.

Our fiscal year ends on the last day of February of each year.

ITEM 22 – CONTRACTS

The form of JDog Carpet Franchising, LLC Franchise Agreement and associated schedules are attached as Exhibit B. A Representations and Acknowledgment Statement is attached as Exhibit E. Our current form of General Release is attached as Exhibit I.

ITEM 23 – RECEIPTS

The last 2 pages of this disclosure document (Exhibit K) are duplicate Receipts, which will serve as an acknowledgement by you that you have received a copy of this disclosure document. The FDD was issued on June 30, 2020. You should sign both copies of the Receipt, return one copy to us and retain on for your records. If the Receipt pages, or any other pages or Exhibits is missing from your copy of the disclosure document, please contact us immediately.

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EXHIBIT A: STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 1-866-275-2677	Commissioner of the Dept. of Business Oversight 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 44 Capitol Avenue Hartford, CT 06106 203-240-8299	Connecticut Banking Commissioner Same Address
DELAWARE	Secretary of State's Office - Wilmington 820 N. French Street 4th Floor Wilmington, DE 19801	The Corporation Trust Company Corporation Trust Center 1209 Orange St. Wilmington, DE 19801 (302) 658-7581
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
HAWAII	State of Hawaii Business Registration Division Securities Compliance Branch Dept. of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Hawaii Commissioner of Securities Same Address
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 651-539-1600	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006	Same
NEW YORK	New York State Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, NY 10005 212-416-8222	Secretary of State of New York 99 Washington Avenue Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office/Securities Division Legislative Annex Building 300 Salisbury Street Raleigh, NC 27602 919-733-3924	Secretary of State Secretary of State's Office 300 Salisbury Street Raleigh, NC 27602
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712; Fax: 701-328-0140	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 405-521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 401-222-3048	Director of the Rhode Island Department of Business Regulation Rhode Island Attorney General 233 Richmond Street Providence, RI 02903-4232
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 803-734-2166	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 605-773-3563	Same
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 512-475-1769	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 804-371-9051	Clerk of the State Corporation Commission 1300 E. Main Street Richmond, VA 23219
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501
WISCONSIN	Wisconsin Dept. of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Same Address

EXHIBIT B: FRANCHISE AGREEMENT

MM/DD/YYYY

JDOG CARPET FRANCHISING, LLC

FRANCHISE AGREEMENT

with You

FRANCHISE AGREEMENT

THIS Franchise Agreement ("Agreement") is made effective on the effective date shown in

Schedule A (the "Effective Date")
BETWEEN: _____ **(hereinafter, "Franchisee")**

AND:

JDog Carpet Franchising, LLC, a Delaware limited liability company having its headquarters office at 1021 Old Cassatt Road, Suite 100, Berwyn, PA 19312 **(hereinafter, "Franchisor").**

WHEREAS:
A. Franchisor has developed a system (the "System") providing for the operation of a retail business offering residential and commercial carpet cleaning services using confidential methods, procedures, and business techniques and known to the public under the name "JDog Carpet Cleaning " (the "Franchised Business").

B. The distinguishing characteristics of the System currently include, but are not limited to, the trademarks shown in Schedule A and related logos, designs, brand and slogans as may be changed pursuant to section 11.6 hereof (collectively the "Marks") licensed to Franchisor by J Dog Holdings, LLC, a Delaware limited liability company, which Marks Franchisor in turn licenses to Franchisee under the terms and conditions set forth herein.

C. The System includes, but is not limited to, use and promotion of the Marks, Franchised Business, operating procedures, policies, manuals, slogans and techniques designed to enable franchisees to compete in the market for carpet cleaning services.

D. Franchisee wishes to establish and operate a Franchised Business utilizing the System at the Franchised Location described in this Agreement, and to derive the benefits of Franchisor's experience, name, advice and guidance.

NOW THEREFORE in consideration of the recitals and the covenants and agreements herein contained, the parties covenant and agree as follows:

1. DEFINITIONS

1.1 Definitions and Interpretation. In this Agreement and in every amendment hereto (unless otherwise specified in any particular amendment), the following shall apply:

(a) "Business Day" means any day, other than a Saturday, Sunday or a U.S. federal holiday, "Week" means a calendar week, beginning on a Sunday and ending on the next Saturday; and "Month" means a calendar month, or portion thereof the case of the first and last months of the Term and Renewal Term when the Term does not begin on the first day of a calendar month.

(b) The words "Franchisor", "Affiliate", "Nominee" and "Franchisee" shall be applicable to one or more persons, firms, corporations, limited liability companies or other entities.

(c) The singular number shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa.

(d) All references to currency are expressed in U.S. Dollars.

(e) The article, section and subsection headings are for convenience of reference only and shall not for the purpose of interpretation or any other purpose be deemed a part of this agreement.

(f) All grammatical variations of defined terms in this agreement shall have the meaning corresponding to the grammatical variation.

2. GRANT OF LICENSE, TERM AND TERRITORY

2.1 Grant. Upon the terms, covenants, and conditions set forth and referred to in this Agreement. Franchisor grants to Franchisee, and Franchisee accepts from Franchisor, the right and license, for the Term and a duly exercised Renewal Term:

(a) to establish and operate the Franchised Business from the specific location named in Schedule A (the "Franchised Location") and offering the services available through the System (the "Services");

(b) to use the System, the Marks and the Copyrighted Materials in connection within the operation of the Franchised Business and in accordance with this Agreement and the provisions of the Operations Manuals, as amended and updated from time to time, or in such manner as may be approved in advance in writing by Franchisor; and

(c) to use the copyrighted series of System manuals, including hard copy and online materials, developed and owned by Franchisor, as revised by Franchisor from time to time (collectively, the "Operations Manuals").

2.2 Exclusivity and Performance Standards. The license granted in this Agreement gives Franchisee the right to establish the Franchised Business at the Franchised Location and shall extend only to the borders of the geographical area specified in Schedule A, or such further area as may be agreed in writing from time to time (the "Territory"). Except as otherwise provided herein, Franchisor agrees not to grant a franchise for another Franchised Business within the Territory so long as this Agreement is in force and Franchisee is not in default hereunder. Franchisor, for itself and its Affiliates, expressly reserves the right to:

(i) offer the Services under the Marks through other Franchised Businesses outside of any Territory, but regardless of proximity to the boundaries of any Territory, and through channels of distribution other than Franchised Businesses; and

(ii) offer or establish other franchises or company-owned outlets or other channels of distribution selling or leasing similar products or services under names and trademarks other than the Marks, within or without the Territory, provided it is not in direct competition with the Franchisee;

2.3 Scheduled Opening Date. The parties intend that the Franchised Business will commence operation on the date specified in Schedule A (the "Scheduled Opening Date"). Franchisee will obtain and maintain all licenses, permits and inspection approvals required by law to operate the Franchised Business at the Franchised Location from and after the Scheduled Opening Date. Franchisor may extend the Scheduled Opening Date by up to 60 days on written notice from Franchisee.

2.4 Term. The term of this Agreement shall commence on the Scheduled Opening Date, whether or not the Franchised Location is open for business on that date and, unless sooner terminated as herein provided, shall continue for a term of fifteen (15) years until the expiration date shown in Schedule A (the "Term"), subject to potential renewal pursuant to Article 16**.**

Upon provision of notice to terminate under this Section, and after a reasonable time for Franchisor to verify compliance with the conditions above, this Franchise Agreement will be terminated upon Franchisor and Franchisee entering into a mutual termination and release agreement in a form acceptable to Franchisor.

2.5 Territorial Policy. Franchisee must obey the territorial policy defined in the Operations Manual (the "Territorial Policy"). Violations of the Territorial Policy, such as, but not limited to, performing a job in another franchisee's territory (except as permitted by the Territorial Policy), shall be punishable as follows:

(a) for a 1st offense, forfeiture of any fees paid earned by offending franchisee for offending activity, plus $500;
(b) for a 2nd offense and subsequent offense, forfeiture of any fees paid earned by offending franchisee for offending activity, plus $1000;
(c) additionally, at Franchisor's sole discretion, a third or subsequent offense shall be a material default subject to immediate termination of offending franchisee's franchise agreement.

2.6 Territory Tiers. For the purpose of Initial Fee and continuing Royalty obligations, the Territory designated a tier by Franchisor in Schedule A, as follows:

(a) a territory with either (i.) a population of between than 180,000 and 220,000 persons or (ii.) a population greater than 100,000 persons and a 25 mile radius at its widest point, shall be designated as Tier 1;

(b) a territory with a population greater than 50,000 persons and less than 100,000 persons, shall be designated as Tier 2; and

(c) a territory with a population fewer than 50,000 persons shall be designated as Tier 3.

3. INITIAL FEE.

In consideration of Franchisor entering into this Agreement, Franchisee will pay to Franchisor all portions of the initial fee (the "Initial Fee") designated in **Schedule A,** attached hereto and incorporated herein, on or before the due dates. The initial Fee shall be deemed to be earned in full by Franchisor upon it executing this Agreement and connecting Franchisee to the Prospects Center.

4. FRANCHISE LOCATION.

During the Term, the Franchisee will maintain all Vehicles, wrapped and in a clean and attractive condition and maintain office equipment as required so as to comply with the Operations Manuals and to preserve, maintain and enhance the reputation and goodwill of the Franchisor and its franchisees and the value of the Marks.

5. VEHICLE LEASING REQUIREMENTS

5.1 Lease of Vehicle by Franchisee. Franchisee shall purchase or enter into leases or subleases ("Vehicle Lease") for at least one franchisor approved vehicle (the "Vehicle"). Vehicle shall meet Franchisor's current specifications, which requirements are currently set out in the Franchise Disclosure Document and the Operations Manuals. Each Vehicle Lease and shall only be entered into by Franchisee upon the following conditions being satisfied:

(1) Franchisor approval of the form of the Vehicle Lease (and any preceding offer to lease or sublease) prior to Franchisee executing any such document, which approval will not be unreasonably withheld. (2) Franchisee shall deliver a complete copy of the proposed offer to lease or sublease to Franchisor at least 10 days prior to executing the Vehicle Lease, and (3) a complete copy of the Vehicle Lease or as executed along with the serial numbers for the Vehicle, shall be delivered to Franchisor promptly following execution.

5.2 Assignment of Vehicle Lease. Franchisee shall not assign or sublet the Vehicle Lease or otherwise part with possession of the whole or any portion of the Vehicle during the Term without first obtaining the prior written consent of Franchisor, which consent shall not be unreasonably withheld.

5.3 Maintenance and Upgrading of Vehicle. Franchisee shall at all times comply within Franchisor's standards in respect of the Vehicle's state of repair and appearance, including accessories and equipment.

6. CONTINUING ROYALTIES

6.1 Royalty. Franchisee shall pay to Franchisor a continuing royalty fee in accordance with the schedule set forth in Section 6.2.

6.2 Royalty fees by Tier.

6.2.1 for a Tier 1 Territory:
(a) $800.00 each month for the first twelve months beginning on the Scheduled Opening Date;
(b) $1,200.00 each month for the months thirteen through twenty-four (13-24) of the Term;

(c) $1,600.00 each month for months twenty-five through thirty-six (25-36) of the Term;
(d) $2,000.00 each month, for months thirty-seven (37) through the end of the Term; and
(e) for the entirety of any Renewal Term, the highest monthly royalty rate in the then-current franchise agreement.

8.2.2 for a Territory designated as a Tier 2 Territory:
(a) $400.00 each month for the first twelve months beginning on the Scheduled Opening Date;
(b) $600.00 each month for the months thirteen through twenty-four (13-24) of the Term;
(c) $800.00 each month for months twenty-five through thirty-six (25-36) of the Term;
(d) $1,000.00 each month, for month thirty-seven (37) through the end of the Term; and
(e) for the entirety of any Renewal Term, one half of the highest monthly royalty rate for a Standard or Tier 1 Territory in the then-current franchise agreement.

8.2.3 for a Territory designated as a Tier 3 Territory:
(a) $500.00 each month beginning on the Scheduled Opening Date; and
(b) for the entirety of any Renewal Term, one quarter of the highest monthly royalty rate for a Standard or Tier 1Territory in the then-current franchise agreement.

6.3 Calculation and Payments. The Royalty will be paid by way of electronic transfer (automatic debit) to Franchisor within the first 3 Business Days of each month. The first month will be prorated and added to the second month if the start date is not the first day of the month. Franchisee shall execute all banking forms and documents and do all other things necessary to facilitate such payments by way of electronic transfer (automatic debit). If electronic transfer (automatic debit) of the Royalty is declined by Franchisee's bank for any reason, Franchisee shall reimburse Franchisor for all costs incurred by Franchisor in connection with such declination, including any reasonable administrative fee as may be set by Franchisor from time to time.

7. OPERATION OF FRANCHISED BUSINESS

7.1 Standards of Operation. Franchisee acknowledges that the Marks, the Services and every other component of the System are important to Franchisor and its Franchisees, and Franchisee covenants and agrees to comply with the System, in its entirety as outlined in the Operations Manuals, which may be modified by the Franchisor from time to time, and in particular Franchisee covenants and agrees that Franchisee shall:

(a) ensure that the operation of the Franchised Business is at all times under the direct control of the Franchisee or the General Manager(s) as provided in this Agreement. Where a General Manager is absent from the Franchised Location due to illness or vacation, Franchisee shall ensure that the Franchised Business is under the direct control of a member of the Management Personnel or a trained representative or employee of Franchisee approved in advance by Franchisor in its discretion;

(b) operate the Franchised Business strictly in accordance with the standards of customer service, cleanliness, environmental safety, consistency, employee training, operation, advertising, promotion and management prescribed by Franchisor;

(c) comply with all business policies, practices and procedures prescribed by Franchisor and outlined in the Operations Manuals;

(d) keep the Franchised Business continuously open for business during all hours and days specified in writing by Franchisor from time to time, subject to compliance with the hours of operation required by local laws, if applicable;

(e) prepare and sell to the public only the Services and other services designated or approved in writing by Franchisor from time to time;

(f) maintain the interior and exterior of each Vehicle in a safe, sound, clean and attractive condition and do all maintenance and repairs as Franchisor or lessor under each Vehicle Lease from time to time requires in writing;

(g) store and handle any waste products strictly in accordance with local, state and federal laws and regulations and in accordance with written specifications provided;

(h) not alter, modify or otherwise change, add to or delete from any portion of the System, Marks, Copyrighted Materials or Services as licensed hereunder;

(i) maintain at all times a sufficient number of properly trained employees to service customers of the Franchised Business, and maintain an inventory of goods and supplies sufficient to satisfy customer demand;

(j) maintain at all times Vehicles for the Franchised Business in such numbers and in accordance with such specifications as Franchisor may require from time to time;

(k) hire and supervise efficient, competent, sober and courteous operators and employees for the operation of the Franchised Business and set and pay their wages, Commissions, benefits and incentives without any liability or obligation to Franchisor;

(l) cause all employees, while engaged in the operation of the Franchised Business, to wear uniforms of the color, design and other specifications only in accordance with the provisions of the Operations Manuals, or in such manner as may be approved in advance in writing by Franchisor, and to present a neat and clean appearance and render competent and courteous service to the customers of the Franchised Business;

(m) use, publish or display in connection with the operation of the Franchised Business only the signs, advertising or other materials designated or approved by Franchisor;

(n) operate the Franchised Business only under the trade name "JDog Carpet Cleaning" and the Marks, as designated by Franchisor, without any accompanying words or symbols of any nature except as designated or approved in writing by Franchisor;

(o) make prompt payment in accordance with the terms of invoices rendered to Franchisee in connection with the purchase of all fixtures, equipment, supplies, advertising materials, clothing,

products and any other goods, supplies, services or products supplied to Franchisee from time to time;

(p) secure and maintain in force all required licenses, permits, approvals, and certificates relating to the operation of the Franchised Business and operate the Franchised Business in full compliance with all applicable laws, and regulations, including but not limited to all governmental regulations relating to environmental safety, occupational health and safety, ERISA, workers' compensation insurance, unemployment insurance, withholding and payment of all federal and state taxes including without limitation FICA, FUTA, income tax, sales tax and personal property tax, use tax and license fees;

(q) advise all suppliers, contactors, employees and others with whom Franchisee deals, that Franchisee is an independent contractor and that all debts, liabilities and obligations incurred by it are for the account of Franchisee, and not Franchisor;

(r) faithfully observe and perform in a timely fashion all covenants to be observed and performed by Franchisee pursuant to each Vehicle Lease and any lease for the Location;

(s) use the Vehicle solely for the Franchised Business;

(t) conduct all advertising and use all media in accordance with lawful business practices and only in accordance with the provisions of the Operations Manuals, or in such manner as may be approved in advance in writing by Franchisor;

(u) attend all franchise conferences and meetings as required by Franchisor from time to time;

(v) participate in such programs as Franchisor as may be designated in the Operations Manuals, or in such manner as may be approved in advance in writing by Franchisor, including provision of service-levels as may be required for specified accounts and the use and honoring of gift certificates and coupons;

(w) replace such items of equipment which have become obsolete or otherwise mechanically impaired, to the extent they require replacement, or as required by Franchisor from time to time; and

(x) identify Franchisor by its legal name and as a "JDog Carpet Cleaning." Identify Franchisee as an "independently owned and operated franchisee of JDog Carpet Cleaning" on all Vehicles, invoices, contracts, agreements, correspondence and other materials and communications used in the Franchised Business and not make any registration of any of the Marks that would grant or suggest Franchisee has ownership of the Marks.

(y) use only the phone number(s) and email address(es) provided by or approved by Franchisor at all times during the operation of the Franchised Business and on any and all promotional material, advertising material, vehicle wraps, social media sites, or any medium or forum promoting the franchised business.

7.2 Proposed Services. If Franchisee proposes to offer for sale through the Franchised Business any services not previously designated or approved by Franchisor, then Franchisee must first submit the proposed service to Franchisor for consideration and approval. Franchisor will consider the proposed service and respond to Franchisee within a reasonable time as to whether or not the service is approved for sale through the Franchised Business. Franchisor reserves the right to make alterations to the proposed service as a condition of approval. Franchisor also reserves the right to adopt any such service for use as a standard service forming part of the Services so as to maintain consistency and enhance the System and Marks. Franchisee, in submitting any such proposal to Franchisor agrees that Franchisor may take such action, that each such submission by Franchisee to Franchisor shall constitute an irrevocable and perpetual assignment of the copyright and waiver of moral rights for the service to Franchisor, and upon each such submission shall be deemed to be part of the Know-How.

7.3 Sale of Services. Franchisee acknowledges that the reputation and goodwill of the System is based upon, and can be maintained and enhanced only by, the sale of high quality services and the satisfaction of customers who rely upon the uniformly high quality of services that are sold under the System and that such continued uniformity is essential to the goodwill, success and continued public acceptance of the System. Accordingly, Franchisee agrees to sell or otherwise deal in only the Services and such other service enhancements as Franchisor designates or approves in advance in writing, which approval may be given or withheld in the sole discretion of Franchisor.

7.4 Pricing. Franchisor may provide a list of suggested prices for the Services; however, Franchisee must research local competition to determine actual prices, at Franchisee's sole discretion. Franchisor will give Franchisee written notice of any temporary promotional pricing. Franchisee is under no obligation to adhere to the suggested prices, but should be aware that promotional and marketing materials and campaigns prepared and provided by the Franchisor may include such prices.

7.5 System Changes. Franchisor may from time to time hereafter, by written notice to Franchisee add to, subtract from, modify or otherwise change the System, including without limitation the deletion or adoption and use of new or modified Marks and Copyrighted Material**,** new or enhanced services, and new techniques in connection there within. Franchisee will, at its own cost, within a reasonable amount of time following receipt of such notice, accept, implement, use and display all such changes.

7.6 Franchisee Programs. Where Franchisor designates a voluntary program from time to time respecting the operation of the Franchised Business or the provision of services to specified accounts, and the Franchisee consents to such program, the respective obligations of Franchisor and Franchisee under such program shall be obligations pursuant to this Agreement.

7.7 Approved Suppliers. Franchisee must maintain in sufficient supply, as Franchisor may prescribe in the Manual or otherwise in writing, and use at all times, only the products purchased from suppliers designated or approved by Franchisor. If Franchisee wishes to use a supplier or product that has not previously been approved by Franchisor, Franchisee must make a request to Franchisor in writing for Franchisor's approval of the supplier or product, including any pertinent information Franchisor may require. Franchisor will notify Franchisee in writing within thirty (30) days if and when a product or supplier is approved, and Franchisor's approval will not be

unreasonably withheld. Franchisee must reimburse Franchisor for Franchisor's costs related to evaluating the proposed supplier or product. Franchisor reserves the right to re-inspect and supplier to ensure that the supplier continues to conform to Franchisor's specifications and standards. If a supplier fails to conform to Franchisor's specifications and standards, Franchisor may revoke its approval of the product or supplier, and Franchisee must immediately discontinue using the unapproved product and/or purchasing from the unapproved supplier after notice from Franchisor. Our criteria for evaluating suppliers and/or products is not available to Franchisee.

8. SALES

8.1 Credit Cards and Other Methods of Payment. Franchisee will maintain arrangements with Visa, American Express, MasterCard and additional or replacement credit card and debit card issuers or sponsors nominated by Franchisor from time to time, in order that the Franchised Business may accept customers' credit cards, debit cards, checks and other methods of payment. Whenever Franchisor designates a new payment system or financial institution for the System, Franchisee agrees to adopt the designate promptly.

8.2 Payments to Suppliers. Franchisee will make all payments to Franchisor and designated and approved suppliers promptly when due and will provide proof of payment to other suppliers to Franchisor upon request. Franchisee acknowledges that failure of Franchisee to pay any other supplier in a timely manner could harm the reputation of the System and the relationship of Franchisor and its other franchisees with such supplier. If Franchisee fails to pay any other supplier in full when due, the Franchisor shall have the right, but not the obligation, to pay all or any portion of the sum due, together with accrued interest and penalties. If Franchisor makes any such payment, then Franchisor will invoice Franchisee for such payment and Franchisee shall reimburse Franchisor immediately upon receipt of the invoice.

8.3 Notice to Meet Standards. Should any inspection or audit reveal any non-compliance with the System or failure to meet the standards of operation, management, production, employee training, service, cleanliness, environmental safety, consistency, quality control or advertising and promotion set by Franchisor from time to time, then Franchisee shall immediately upon receipt of notice from Franchisor specifying the particulars of the non-compliance or failure by Franchisee, do all things necessary to correct the non-compliance or failure, in addition to co-operating with the representatives of Franchisor in respect of any training or retraining determined necessary by Franchisor.

9. PROSPECT CENTER and ADVERTISING

9.1 Order Processing. Franchisor reserves the right to maintain online Prospect system (the "Prospect Center") to process prospective orders for the Services within the System, including all orders in the Territory and otherwise handle customer inquiries. Upon receipt of a prospective order for the Services within the Territory, Franchisor shall post such prospective order on a system-wide intranet system. Franchisee must retrieve and respond to all prospective orders for the Services in their respective Territory within 24 hours. If Franchisee is unable or not willing to respond to prospective order for services, the Franchisee must inform the Franchisor of the reason for the rejection or non-response to the prospective order within 48 hours after the prospect is posted by the Prospect Center.

9.2 Prospect Center Access. Franchisor will provide Franchisee with access to the Prospect Center and a confidential password (the "Password") for the Prospect Center. Franchisee will keep the Password confidential at all times during the term of this Agreement, following any exercised renewal, and after the expiration or earlier termination of this agreement. Franchisee will not release the Password to any person, including employees of the Franchised Business, without the previous written consent of Franchisor, which consent may be withheld for any reason.

9.3 Particulars of Local Advertising. Franchisee shall have the right to conduct such local advertising and promotions in respect of the Franchised Business as Franchisee shall, in its reasonable discretion desire, provided that:

(a) Franchisee shall advertise and promote only in a manner that will reflect favorably on Franchisor, Franchisee, Services and the good name, goodwill and reputation of the System;

(b) Franchisee shall submit to Franchisor for its approval, which approval shall not be unreasonably withheld or unduly delayed, all local advertising and promotions material to be utilized by Franchisee and until such time as Franchisor shall give its prior written approval to the use of such advertising and promotions. In no event will Franchisor take more than 30 days either to approve or to reject such local advertising or promotions material. Franchisor reserves the right to adopt any such advertising or promotions for general use in advertising or promoting the Services. Franchisee, in submitting any such advertising or promotions, agrees that Franchisor may take such action, and that each such submission shall constitute an irrevocable and perpetual assignment of the copyright and waiver of moral rights for such advertising or promotions, and upon each such submission shall be deemed to be part of the Know-How;

(c) Franchisee shall prominently display, at its expense, in connection with the Franchised Business, signs of such nature, form, color, number, location and size and containing such matter as Franchisor may direct or approve in writing from time to time and such signs shall be purchased from Franchisor or from suppliers designated or approved by Franchisor;

(d) Franchisee acknowledges that Franchisor is the sole and exclusive owner of all copyrights and that all advertising and promotional material (including Copyrighted Materials) prepared by or on behalf of Franchisor shall at all times remain the property of Franchisor; and

(e) Franchisee agrees to advertise the Franchised Business (if so directed by Franchisor at Franchisee's expense) in the white pages and classified section (yellow pages) of all local major telephone directories, using only such information as may be approved by Franchisor. If other franchisees are served by the same white pages or classified section, Franchisor shall have the right to require group listing therein, to make direct arrangements with the telephone company and to allocate an equitable part of the cost thereof to Franchisee.

(f) Each calendar month, Franchisee shall spend, at a minimum, the greater of (i) five hundred dollars ($500) or (ii) 2% of Franchisee’s Gross Sales during the previous calendar month, on local advertising to advertise and promote the Franchised Business.

9.4 Initial Marketing Fee. Franchisee agrees that:

(a) recognizing the importance and unique marketing needs of the Franchised Business in the early months of operations, Franchisee agrees to have set aside and available, $3,000 (the "Initial Marketing Fee") upon execution of this Agreement, but not upon the execution of any renewal Agreement;

(b) the Franchisee shall expend the Initial Marketing Fee from the 30 days prior to, through the first 30 days of operation of the Franchised Business on marketing and promoting the Franchised Business in the Territory, in such manner as Franchisor determines in its sole discretion. Franchisee will take reasonable steps to target such marketing expenditures towards the market encompassing the Territory, as Franchisor reasonably defines such market.

(c) the Initial Marketing Fee shall not be used to defray any of Franchisee's general operating expenses. Franchisee shall provide an account of Initial Marketing Fee expenditures upon request; and

(d) except as expressly provided for in this Article, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the initial Marketing Fee. The Initial Marketing Fee shall not be applied in discharge of the Franchisee's obligations under this Agreement.

9.5 Marketing Fund. If Franchisor establishes a national marketing fund (the “Marketing Fund”) on behalf of the System for national advertising and marketing, Franchisee is required to contribute an amount up to three hundred dollars ($300) per month, as specified by Franchisor. Payments will be made in the same manner and time as the Royalty Fees. Franchisor may require Franchisee to allocate to the Marketing Fund, all or any portion of Franchisee’s required contributions to a regional fund or for Local Advertising as described in Section 9.3.

(a) Except as specified in Section 9.3, Franchisor shall direct all advertising and marketing programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Marketing Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchise Businesses operating under the System.

(b) Franchisor shall contribute to the Marketing Fund on the same basis as Franchisee with respect to JDog Carpet Cleaning businesses operated by Franchisor.

(c) Franchisor may use the Marketing Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing and maintaining an Internet website; and personnel and other departmental costs for advertising that Franchisor internally administers or prepares).

(d) The Marketing Fund will be operated solely as a conduit for collecting and expending the advertising contributions for the System. The Marketing Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs and overhead that Franchisor may incur in activities related to the administration and direction of the Marketing Fund and such costs and expenses pursuant Section 13.3(c). The Marketing Fund and its earnings shall not otherwise inure to Franchisor's benefit.

(e) Franchisor will prepare an annual statement of the Marketing Fund's operations and will make it available to Franchisee upon request. In administering the Marketing Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.

(f) Although the Marketing Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Marketing Fund, however, until all monies in the Marketing Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

10. MANAGEMENT AND EMPLOYEES

10.1 Management Personnel. Franchisee or, if Franchisee is an entity, all of its voting shareholders or members (contingent or otherwise), directors and officers, and the Management Personnel, or any replacement(s) approved in writing by Franchisor shall complete initial training to the satisfaction of Franchisor prior to the Scheduled Opening Date, unless waived in writing by Franchisor in its sole discretion for any particular person(s). Once approved, Franchisee will cause Management Personnel to participate, on a full-time working basis (i.e., a minimum of 40 hours per week), in the management and operation of the Franchised Business. Franchisee shall verify that all Management Personnel have the legal right to work in the United States. The Management Personnel named first in **Schedule A** shall be the initial general manager of the Franchised Business (hereinafter called the "General Manager", which term shall include every other person who in the future acts as general manager of the Franchised Business). Franchisee shall ensure that every person who acts as General Manager from time to time is not (while so acting) engaged in any retail business activity other than the Franchised Business. The General Manager must participate on a full-time basis (i.e., a minimum of 40 hours per week) in the operation of the Franchised Business. Unless waived in writing by the Franchisor, Franchisee will ensure that the Franchised Business employs one full-time General Manager. Franchisee will not hire anyone to act as General Manager without the prior written approval of Franchisor. As a condition of such approval, the managerial candidate must complete the training requirements set out herein to the satisfaction of Franchisor. Franchisor may charge Franchisee Franchisor's then current standard training fee for any candidate to replace the General Manager. In the event of the resignation, termination, death or incapacity of any person acting as General Manager or other Management Personnel, Franchisee shall have a period of 30 days after such resignation, termination, death or incapacity in which to complete arrangements for replacement and training of such person.

10.2 Employees. Franchisee will hire all employees of the Franchised Business, and shall be responsible exclusively for payment of wages, benefits, statutory remittances and compliance with other terms and conditions of their employment and for the proper training of them in the operation of the Franchised Business. At the direction of Franchisor, Franchisee will cause such employees

as may be designated by Franchisor who are not involved in initial training to complete training programs developed by Franchisor. Franchisee will be solely responsible for all direct and indirect costs of such training in accordance with sections 15.1 and 15.2 herein. Franchisee shall verify that all employees have the legal right to work in the United States.

11. LICENSE GRANTED TO FRANCHISEE

11.1 Nature of Grant. The license granted by this Agreement is a license to use the System and Marks only in connection with operation of the Franchised Business in the Territory during the Term. Nothing in this Agreement shall give Franchisee any other right, title or interest in or to any part of the Marks or the System.

11.2 Use of Name and Marks. Franchisee shall operate the Franchised Business continuously throughout the Term and any duly exercised Renewal Term under the name "JDog Carpet Cleaning" or such alternate name or names as Franchisor may direct in accordance with the provisions of the Operations Manuals, or in such manner as may be approved in advance in writing by Franchisor from time to time, and Franchisee's name shall be clearly marked on all documented and electronic representations of the Franchised Business as well as on all Franchisee's advertising, stationery, business cards, purchase orders, sales slips, checks, and other business documents in a manner specified or approved by Franchisor and which clearly indicates that Franchisee is the person, firm or corporation, as the case may be, operating the Franchised Business pursuant to a license from Franchisor. Franchisee shall use TM or some other symbol directed by Franchisor, to indicate to the public that each of the Marks is a trademark belonging to Franchisor and shall in such usage clearly indicate this by using the phrase "Trademark licensed by JDog Carpet Franchising, LLC" or some other phrase designated or approved by Franchisor. Franchisee shall not use, as part of the corporate name of any corporation or other business entity which may operate the Franchised Business (or any other corporation or business entity in which Franchisee has any interest), any of the Marks or any variation or derivative thereof or any word or phrase or combination of words confusingly similar thereto or colorable imitative thereof, nor may Franchisee use the Marks in connection with the sale or offering for sale of any item which has not been properly approved for sale pursuant to the requirements of this Agreement. All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trade and service marks and commercial symbols hereafter authorized by Franchisor for use by Franchisee from time to time. Further, if Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each Principal represent, warrant and covenant that Franchisee's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to such activities as expressly authorized by Franchisor.

11.3 Use of Copyrights. Franchisee acknowledges that Franchisor is the owner of the copyright in the Operations Manuals, and all other systems, binders, videotapes, software, and printed materials which from time to time form part of the System (as well as all revisions and additions of or to any of the foregoing) (collectively, the "Copyrighted Materials"). Franchisee acknowledges that Franchisee's right to use the Copyrighted Materials is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement and all applicable specifications, standards and operating procedures prescribed in writing by Franchisor during the Term and any exercised Renewal Term. Any unauthorized use of any of the Copyrighted Materials by Franchisee shall be an infringement of

the rights of Franchisor in and to the Copyrighted Materials and shall constitute a breach of this Agreement. Franchisee agrees not to contest or oppose, nor to assist anyone else to contest or oppose Franchisor's application for registration or protection of any of the Copyrighted Materials in the United States or any foreign copyright office. Franchisee will ensure that all Copyrighted Materials used by Franchisee bear whatever copyright notice may be prescribed from time to time in writing to Franchisee by Franchisor.

11.4 Notification of Infringement. Franchisee shall notify Franchisor immediately upon learning of any apparent or potential infringement of or challenge or claim to any of the Marks or any of the Copyrighted Materials or any claim to any rights in or to any of the Marks or Copyrighted Materials made by anyone which comes to the notice of Franchisee, and Franchisee shall not communicate with anyone other than Franchisor and its legal counsel in connection with any such infringement, challenge or claim. Franchisor shall have sole discretion to take such action as it deems appropriate and the right to control exclusively any litigation or other proceeding arising out of any such infringement, challenge or claim, and Franchisee agrees to execute all documents, to render such assistance and to do all acts and things as may, in the opinion of Franchisor or its legal counsel, be necessary or advisable to protect and maintain the interests of Franchisor in any such litigation or other proceeding or otherwise to protect and maintain the interests of Franchisor and its franchisees in the Marks and Copyrighted Materials. Franchisor agrees to indemnify Franchisee against any losses or damages incurred by Franchisee as a result of a successful claim of infringement brought by a third party and related solely to Franchisee's use of the Marks in accordance with the terms of this Agreement.

11.5 Act in Derogation of Franchisor's Rights. Franchisee acknowledges that all goodwill and ownership rights arising out of the use by Franchisee of the Marks, the Copyrighted Materials and any other part of the System shall accrue solely to Franchisor and the system as a whole, and that now and hereafter Franchisee shall assert no claim to any goodwill by virtue of the licensed use thereof. Franchisee will not dispute or impugn the validity of any of the Marks or the rights of Franchisor thereto, or do or assist others to do or permit any act or tiling to be done derogation of same. Franchisee will take such action (including signature and assistance in preparation of documents or the giving of testimony) as may be requested by Franchisee to evidence, transfer, vest or confirm the Company's rights and ownership in the Marks, the Copyrighted Materials and any other part of the System. If Franchisor is unable for any reason to secure Franchisee's signature to fulfill the intent of this paragraph, then Franchisee irrevocably appoints the Franchisor and its authorized agents as agent and attorney in fact, to transfer, vest or
confirm Franchisor's rights and to execute and file any such applications and to do all other lawful acts to further the intent of this Section with the same legal force as if done by Franchisee.

11.6 Changes in Marks and Copyrighted Materials. During the Term or any exercised Renewal Term, Franchisor deems it advisable to modify or discontinue use of any Marks or Copyrighted Materials or to adopt for use in the System any additional or substitute marks or copyrights, then Franchisor shall give written notice thereof to Franchisee whereupon **Schedule A** hereto shall be deemed to be amended accordingly and Franchisee shall promptly comply with such amendment. All provisions of this Agreement applicable to Marks and Copyrighted Materials shall apply to all additional, substituted or modified Marks and Copyrighted Materials hereafter adopted by Franchisor or its Affiliates and authorized for use by Franchisee by written notice.

11.7 Use of Know-How. Franchisee acknowledges that Franchisor possesses know-how comprised of methods, techniques, specifications, materials, procedures, information, systems and knowledge of and experience in the provision of the Services through the Franchised Business (collectively, the "Know-How"). Franchisor will disclose the Know-How to Franchisee in the training program, the Operations Manuals and in guidance furnished to Franchisee during the Term and any exercised Renewal Term. Franchisee will not acquire any proprietary interest in the Know-How or any part of it, other than the right to use it in the development and operation of the Franchised Business during the Term and any duly exercised Renewal Term, in full compliance with this Agreement. Franchisee acknowledges that the Know-How is proprietary and, except to the extent that it is or becomes generally known in the carpet cleaning industry, it and every part of it comprises a valuable trade secret of Franchisor.

11.8 Confidential Information. Franchisee acknowledges that the designs, materials and other features of the Services and the information, techniques, procedures, methods, systems and format now and hereafter comprised in the System, including, without limitation, the Password and the Know-How revealed within or pursuant to this agreement and the Operations Manuals (the "Confidential Information"), are so revealed in strictest confidence and Franchisee covenants to keep and respect the confidence so reposed. Franchisee shall neither use nor permit any of its directors, officers, shareholders, employees, agents or other representatives to use for any purpose inconsistent with this Agreement nor reveal to any person, firm or corporation, both while this Agreement is in force and for an unlimited time thereafter, any Confidential Information which Franchisee has acquired through or as a result of its relationship with Franchisor including, without limitation, any contents of this Agreement, and the Operations Manuals. Upon request by Franchisor, Franchisee will cause the employees of the Franchised Business to sign a form of confidentiality covenant prepared by Franchisor. Notwithstanding the foregoing, "Confidential Information" does not include information that: (a) Franchisee establishes through public records, (b) is known to Franchisee prior to disclosure by Franchisor or its personnel; (c) is or becomes publicly available through no act or omission of the Franchisee or its personnel; or (d) is lawfully received by Franchisee from a third party that is not under any confidentiality obligation to Franchisor.

11.9 Operations Manuals. Franchisor may make additions, deletions and other revisions to the Operations Manuals from time to time, in its sole discretion. The provisions of the Operations Manuals as revised from time to time shall constitute provisions of this Agreement to be observed and performed by Franchisee as though incorporated specifically in this Agreement. Franchisee will not at any time copy or permit to be copied the whole or any portion of the Operations Manuals. When Franchisor makes revisions, they will be reflected in the digital version and immediately be made available to Franchisee. In the event of a dispute as to the contents of the Operations Manuals, the master copy maintained by Franchisor shall govern.

12. FURTHER OBLIGATIONS OF FRANCHISEE

12.1 Compliance with Operations Manuals. Franchisee shall conduct the Franchised Business strictly in accordance with all of the provisions set out in the Operations Manuals as amended from time to time. In particular, Franchisee shall promptly adopt and use exclusively the specifications, standards, methods and policies contained in the Operations Manuals, now, and as they may be modified by Franchisor from time to time. Franchisee acknowledges that Franchisor

is the sole and exclusive owner of all proprietary rights in and to the System and that the information revealed in the Operations Manuals, in their entirety, constitute Confidential Information and Copyrighted Material. Without the prior written consent of Franchisor, Franchisee shall not use the contents of the Operations Manuals for any purpose not related to this Agreement, and shall not disclose the contents of the Operations Manuals to any person, except to employees of Franchisee on a need to know basis for purposes related solely to the operation of the Franchised Business, nor shall Franchisee publish, reprint or reproduce the Operations Manuals in whole or in part for any purpose. Franchisee shall take all safeguards and precautions specified by Franchisor from time to time or as would be expected to be exercised by a careful person entrusted with valuable property of another, to protect and maintain the confidentiality of the Operations Manuals. The covenants contained in this Section will survive the termination of this Agreement for such period of time as such information remains confidential and does not fall into the public domain. Franchisor reserves the right at any time upon written notice to Franchisee to more particularly specify or define any items of information or materials which Franchisor considers to be Confidential Information for the purposes of the ongoing application and survival of Franchisee's covenants herein. Franchisee hereby acknowledges that the Operations Manuals are loaned to Franchisee and shall at all times remain the sole and exclusive property of Franchisor, and upon the expiration or termination of this Agreement for any reason whatsoever. Franchisee shall forthwith return the Operations Manuals together with all copies of any portion of the Operations Manuals which Franchisee may have made, to Franchisor.

12.2 Signage. Any signage procured for the Franchised Business will conform to Franchisor's specifications. Franchisor will provide written specifications for such signage to Franchisee upon request. When signage is procured pursuant to a lease, the lease must be assignable to Franchisor and Franchisee will submit such lease to Franchisor for its written approval prior to executing it.

12.3 Standards of Service. Franchisee and employees of the Franchised Business will at all times give prompt, courteous and efficient service to customers, and will, in all dealings with customers, suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee will respond to customer, supplier and public complaints in a prompt, courteous and efficient manner.

12.4 Taxes and Rents. Franchisee will pay in a timely manner all local, state and federal sales, business, property, goods and services taxes and all other taxes, rates, levies and fees levied or assessed by any governmental authority directly or indirectly in connection with the Franchised Business.

12.5 Compliance with Laws. Franchisee will operate the Franchised Business in strict compliance with all applicable laws and regulations.

12.6 Sufficient Staff and Inventory. Franchisee will at all times employ a sufficient number of properly trained, courteous and service oriented staff to properly operate the Franchised Business during normal business hours.

12.7 Training and Retraining. Franchisee will comply with the training and retraining requirements of this Agreement**.**

12.8 Inspection Rights. Franchisee authorizes Franchisor and its representatives to enter the Franchised Location at any reasonable time or times, without undue disturbance of the Franchised Business or the Territory, to inspect the Franchised Location or the Territory and the Vehicle, inventory, fixtures, finishing, and equipment therein, to confer with or otherwise contact Franchisee's employees, to examine and inspect the operation of the Franchised Business and in all respects to determine compliance with this Agreement (including the Operations Manuals).

12.9 No Solicitation of Employees. Franchisee will neither employ nor solicit employment of anyone who is employed by Franchisor, any Affiliate of Franchisor, any other franchisee of the System or any other franchisee of another system operated from time to time by Franchisor or any of its Affiliates, without the prior written consent of the employer, unless the employee in question has ceased to be employed by such employer for a period of at least 90 days. The Franchisor will not solicit Franchisee's employees unless the employee in question has ceased to be employed by the Franchisee for a period of at least 90 days.

12.10 Hazardous Materials. Franchisee will not deal in any way with any hazardous materials, including, but not limited to:

(a) oil or gasoline, except in connection with the operation of the Vehicles;
(b) asbestos;
(c) any material containing or contaminated with PCBs;
(e) sludge of any sort;
(f) septic tank sludge or waste; and
(g) solvents, liquid paints or chemicals, except as specified and approved by Franchisor.

12.11 Use of Media. Franchisee agrees that for purposes of advertising and public relations related to the System, Franchisor may make, reproduce and publish in good taste photographs, videos and other media utilizing the Franchised Location and the employees and customers of Franchisee on an individual or collective basis. Franchisee will cooperate with Franchisor in this regard.

12.12 Insurance. Franchisee will ensure that the following insurance coverage is placed and maintained during the entire Term and any duly exercised Renewal Term: (a) reasonable comprehensive public liability and property damage insurance, including personal and bodily injury liability, contractual liability, employers' liability, and owners' and contractors' protective insurance coverage with respect to the activities conducted by Franchisee and any employee, agent or other person performing work on behalf of Franchisee with respect to the Franchised Business, with a policy limit of not less than $1,000,000 per occurrence/$2,000,000 in aggregate or such greater amount as may be specified in writing by Franchisor from time to time; and (b) reasonable owned and non-owned vehicle liability insurance with a policy limit of not less than $1,000,000 per occurrence/$2,000,000 in aggregate or such other amount as may be specified in writing from time to time by Franchisor for any vehicle used to any extent in the Franchised Business. The insurers, amounts and types of insurance shall be subject to prior written approval of Franchisor, which Franchisee will seek in a timely fashion. Franchisor may from time to time require that Franchisee cause such coverage to be added to or otherwise amended in accordance with recommendations of Franchisor's independent insurance advisor. The foregoing insurance coverages, as so amended from time to time, are hereinafter called the "Coverage." Franchisor,

acting reasonably, may elect, at any time, upon the recommendation of its independent insurance advisor, to require Franchisee, either individually or as part of a group of franchisees, to place the Coverages (or any them) through Franchisor, in which case Franchisee will pay its proportionate share (with other franchisees of the System) of all costs thereof, upon receiving invoice(s) therefor. All policies of insurance for the Coverages shall expressly include Franchisee, Franchisor, and Franchisor's Affiliates, as "franchisor/additional insured" and shall require the insurers to defend Franchisee and Franchisor, jointly and severally, in all claims and actions to which the Coverages are applicable. Such policies shall require provision of 30 days' notice to Franchisor prior to any termination. Within 10 days of entering into any policy of insurance, and from time to time as such policies are renewed or entered into, Franchisee shall cause insurer to issue a certificate of insurance directly to Franchisor confirming the terms and coverage set forth this Agreement. Franchisee understands and acknowledges that Franchisor is not an insurance broker. Nothing done by Franchisor pursuant to this section shall constitute an assurance that Franchisee has adequate insurance for its assets, business and potential liabilities at the Franchised Business and Franchisee may place additional insurance as it sees fit, upon the advice of its own insurance broker.

12.13 Payments. Franchisee shall make all payments when due. In addition to any and all rights and remedies of Franchisor under this or any other agreement, any payment made after the date on which it is due shall be subject to a late payment fee of $100 for the 1st offense; $200 for the second offense; and $300 for the third and all subsequent offenses.

12.14 Bookkeeping and Reports. During the Term, Franchisee shall keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures specified by Franchisor in the Operations Manual or otherwise in Writing. Franchisee shall submit to Franchisor, for review or auditing, all such financial statements and other forms, reports, records, information, and data as and when Franchisor may reasonably designate, in the form and format, and at the times and places as Franchisor may reasonably require, upon request and as specified from time to time in the Operations Manual or otherwise in writing, including but not limited to: (a) information in electronic format; (b) restated in accordance with Franchisor's financial reporting periods; (c) consistent with Franchisor's then-current financial reporting periods and accounting practices and states; and/or (d) as necessary so that Franchisor can comply with reporting obligations imposed upon Franchiosr by tax authorities with jurisdiction over the Franchised Business and/or Franchisor.

13. FURTHER OBLIGATIONS OF FRANCHISOR

13.1 Training. Franchisor shall provide one initial training session of 5 Business Day(s) for up to 2 employees of Franchisee selected by Franchisee (but those selected must include the prospective initial Management Personnel specified in Schedule A). The format and content of the training program will be determined solely by Franchisor. The cost of such initial training is included in the Initial Fee. Additional prospective employees of Franchisee may be accommodated for such initial training or for subsequent equivalent training at Franchisee's request and cost. Franchisee may provide initial training to Management Personnel, but Franchisor reserves the right to require such Management Personnel to attend Franchisor's training at any time. Franchisor may charge its then-current training fee to Franchisee for providing initial or

additional training. All training shall be given at times and at a location or locations designated by Franchisor. All expenses incurred by Franchisee and other trainees in connection with and during such training including without limitation those related to transportation, accommodation, meals and other living expenses, wages and other employment benefits shall be at the sole expense of Franchisee. (Neither Franchisor nor any owner of an existing business at which the training is given will provide wages or employee benefits to Franchisee or other trainees during the training period.)

13.2 Retraining. In the event that Franchisee is not operating the Franchised Business in full accordance with the System and this Agreement, which determination Franchisor shall make in its sole discretion, Franchisor shall have the right to send its representatives to the Franchised Location to conduct such retraining of the representatives and employees of Franchisee as Franchisor determines to be appropriate in the circumstances. Franchisee shall reimburse Franchisor upon demand for all out-of-pocket costs incurred by Franchisor in connection with such retraining, including all transportation, lodging and meal expenses incurred by and reasonable hourly charges for representatives of Franchisor providing the retraining.

13.3 Initial and Ongoing Goods and Services. Franchisor shall provide to Franchisee:

(a) access to our Operations Manual (may be hard copy, online or other);
(b) login and password for access to the Prospects Center;
(c) additional training materials developed by Franchisor from time to time;
(d) marketing materials and other sales aids developed by Franchisor from time to time (at Franchisee's expense);
(e) promotional assistance at the time when the Franchised Business opens for business and ongoing promotional assistance on a reasonable basis thereafter;
(f) regular communications to keep Franchisee up to date with respect to important developments in the System; and
(g) an annual review of the operation and management of the Franchised Business which will be conducted by one or more representatives of Franchisor.

13.4 Continuing Availability. Franchisor may make one of its representatives available to Franchisee during Franchisor's normal business hours, for consultation and guidance with respect to operation or management of the Franchised Business. Reasonable consultation and guidance will be given by correspondence, telephone, and email. One or more representatives of the Franchisor may make a minimum of one field visit a year to the Franchisee's territory for purposes of doing a review. Franchisor shall also co-ordinate and conduct periodic training programs for franchisees as Franchisor, in its sole discretion, deems necessary. Franchisor shall, in its sole discretion, continue efforts to establish and maintain high standards of customer satisfaction and professionalism.

14. REMEDIES UPON DEFAULT BY FRANCHISEE

14.1 Definition of "Material Default. For the purposes of this Agreement, the phrase "Material Default" shall mean any one of the following defaults:

(a) failure to pay any sum due to Franchisor, or any Affiliate or nominee of Franchisor, Franchisee's landlord, any governmental authority, the lessor of the Vehicle or other supplier of any item of Supplies or other inventory to the Franchised Business pursuant to any agreement or arrangement between Franchisee and Franchisor (or any of its Affiliates) or any supplier, whether or not designated or approved by Franchisor for a period of 30 days after written notice of such default has been delivered by Franchisor to Franchisee;

(b) failure to comply with any other obligation of Franchisee contained in this Agreement or any other agreement between Franchisee and Franchisor or any Affiliate or nominee of Franchisor for a period of 30 days after written notice of such default has been delivered by Franchisor to Franchisee; provided, however, that if the nature of such default is such that it cannot be cured within a 30 day period, and Franchisee takes reasonable action to cure such default immediately upon receiving such notice and diligently continues to do so, then Franchisee shall have such additional period of time as is reasonably necessary to cure such default;

(c) failure to remain in good standing under all Vehicle Leases, or doing or omitting to do anything else which gives anyone the right to terminate a Vehicle Lease or take possession of a Vehicle such that Franchisee would be without the required minimum number of Vehicles to use in the operation of the Franchised Business;

(d) an assignment or attempted assignment, at law or at equity, of this Agreement by Franchisee, including an involuntary assignment under applicable matrimonial laws, in whole or in part, without obtaining the prior written consent of Franchisor as required by this Agreement;

(e) Franchisee abandons the Franchised Business. The term “abandon” includes any conduct, intentional or otherwise, which results in the Franchisee failing to operate the Franchised Business as a JDog Carpet Cleaning business for a period of five (5) or more consecutive days, unless the Franchised Business has been closed for a purpose Franchisor has approved or because of casualty or government order;

(f) Franchisee or any of its directors, officers, employees, agents or other representatives attempting to assign, transfer or convey any part of its interest in the System, including any of the Marks, Know-How, Copyrighted Material or other copyrights, Operations Manuals, trade secrets, systems, methods of operation or format; or discloses, copies or uses or permits the use of any of the foregoing; or if Franchisee uses or permits the use of any of the foregoing in a manner or at a location not authorized in advance in writing by Franchisor;

(g) 30 days after Franchisee's receipt of notice from Franchisor, Franchisee’s continued failure to offer for sale any approved Service; or offering to sell any service from the Franchised Location that is not part of the Services or that has not been designated or approved in writing by Franchisor;

(h) Franchisee engaging in misleading advertising or operating the Franchised Business in a dishonest, illegal or unethical manner, or having its business license for the Franchised Business suspended or revoked;

(i) Franchisee failing to rectify diligently, any order issued by a governmental authority concerning breach of any health, safety or other regulation or legal requirement applicable to the Franchised Business within the time frame required by the government authority;

(j) a personal or corporate Franchisee or any director or officer of a corporate Franchisee being convicted of an indictable offense which in the reasonable opinion of Franchisor could bring the System, any of the Marks or any other part of the goodwill established thereby into disrepute;

(k) Franchisee receives three (3) or more notices of default under this Section;

(l) Franchisee has three (3) late payment violations within a twelve month period, whether or not Franchisee receives an official notice of default on any or all such occasions; or

(m) Franchisee commits a third violation of the Territorial Policy outlined in the Operations Manual.

(n) Franchisee defaults pursuant to Section 14.2(d) below.

14.2 Cross Default. If one or more of Franchisee, a member of its Management Personnel, or any partnership or joint venture or corporation in which one or more of Franchisee and a member of its Management Personnel has a controlling interest, defaults under any other agreement, including any other franchise agreement with Franchisor or any of its affiliates, it shall constitute a default under this agreement and any default under this Franchise Agreement shall constitute a default under such other agreements, with like remedies available to Franchisor , and should such other agreement for any reason therein be terminated. Franchisor may, at is option, terminate this agreement.

Further, if Franchisee defaults, or an affiliate of Franchisee defaults, under any agreement with Franchisee's suppliers and does not cure such default within the time period provided in such other agreement, Franchisor will be permitted to effect a cure on Franchisee's behalf to satisfy any outstanding balance with Franchisee's suppliers. Franchisee shall be required to pay to Franchisor the following fees within thirty (30) days of Franchisor's payment on behalf of Franchisee:

(a) for a 1st offense, reimbursement of any amount paid by Franchisor on behalf of Franchisee, plus fifty dollars ($50.00);
(b) for a 2nd offense, reimbursement of any amount paid by Franchisor on behalf of Franchisee, plus one hundred dollars ($100.00)
(c) for a 3rd offense, reimbursement of any amount paid by Franchisor on behalf of Franchisee, plus one hundred fifty dollars ($150.00); and
(d) for a 4th offense and subsequent offense, reimbursement of any amount paid by Franchisor on behalf of Franchisee, and, at Franchisor's sole discretion, such offense shall be a material default subject to immediate termination of offending franchisee's franchise agreement.

14.3 Termination for Material Default. Franchisor may terminate this Agreement, forthwith, upon giving written notice to Franchisee, if Franchisee commits any single Material Default.

14.4 Other Remedies for Default. In the event of a default of this Agreement, whether or not a Material Default, and in addition to the other remedies provided in this Agreement, Franchisor may:

(a) bring such action for injunctive or other similar relief as may be necessary to compel Franchisee to comply with Franchisee's obligations contained or referred to in this Agreement;

(b) without waiving any claim for default hereunder and without prior notice to Franchisee, take whatever steps Franchisor deems necessary to cure any default by Franchisee hereunder for the account of and on behalf of Franchisee, and Franchisee hereby irrevocably appoints Franchisor as its attorney to do so, and the related expenses incurred by Franchisor shall be due and payable forthwith by Franchisee upon demand and shall be deemed to be an amount owing to Franchisor hereunder; or

(c) without waiving any claim for default hereunder and without prior notice to Franchisee, enter upon any premises upon which the Franchised Business is conducted without being liable to Franchisee in any way for such entry, for the purposes of securing the return of any of Franchisor's property, performing or compelling performance of Franchisee's obligations to Franchisor and protecting Franchisor's rights upon expiration or termination of this agreement; and

(d) alter Franchisee's territory as to (i) reduce the Territory; (ii) remove the exclusivity provided in the Territory (allowing Franchisor to grant or operate other Franchised Businesses in the Territory); (iii) withhold, postpone, or forgo any services, licenses, rights, payments, orders, access to any electronic systems or other materials (including without limitation any successor system used to communicate orders to Franchisee), or any other obligations imposed on Franchisor by this Agreement until Franchisee cures its violation or otherwise remedies the default to Franchisor's satisfaction; or (iv) any combination of (i), (ii), and (iii).

14.5 Damages based on Material Default. In the event of a termination of this Agreement by Franchisor based on a Material Default, Franchisor shall have the right to claim and recover damages from Franchisee and such damages shall include, without limitation, loss of the benefit of Franchisor's bargain hereunder. It is acknowledged by Franchisee that the benefit of Franchisor's bargain hereunder shall include the Royalties which Franchisor would have expected to receive for the unexpired balance of the Term (or Renewal Term).

14.6 Remedies Cumulative. The rights and remedies of Franchisor contained in this Article and elsewhere in this Agreement or in a document referred to in this Agreement are cumulative and no exercise or enforcement of any right or remedy by Franchisor shall preclude its exercise or enforcement of any other right or remedy to which Franchisor is entitled by law, in equity or otherwise.

15. FRANCHISEE'S OBLIGATIONS UPON EXPIRATION OR TERMINATION

15.1 Payment of Accounts. Within 15 days after expiration or termination of this Agreement (or on such later date as such debts are due), Franchisee will pay, by bank draft, all outstanding Royalties, all amounts due for Supplies and all other amounts payable by Franchisee (whether to Franchisee or its Affiliate) together with accrued interest charges thereon in accordance with this Agreement.

15.2 Discontinuance. Upon expiration or termination of this Agreement, Franchisee shall forthwith discontinue use or display of the Marks, Operations Manuals, Copyrighted Materials and other materials provided by Franchisor such as advertising materials and training materials, trade secrets, systems, methods of operation, format and goodwill of the System. Franchisee shall also forthwith change the color scheme of the Franchised Location and Vehicle to one that differentiates it from the color scheme of the System and shall remove all signage related to the System from the Franchised Location and Vehicles. Franchisee shall not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that Franchisee is directly or indirectly associated, affiliated, licensed by or related to Franchisor or the System, and Franchisee shall not, directly or indirectly, use any Mark, or any other name, logo, signage, symbol, insignia, slogan, advertising, copyright, Copyrighted Materials, design, trade secret, process, system, method of operation or format confusingly similar to those used by the System. Franchisee acknowledges the proprietary rights of Franchisor as set out in this Agreement and agrees to return to Franchisor the Operations Manuals, all advertising and training materials and all other confidential information relating to the System, as well as all other property of Franchisor, forthwith upon expiration or earlier termination of this Agreement. Additionally, Franchisee shall, upon termination or expiration of this Agreement, promptly remove any signage and murals from the Franchised Location and any other premises from which the Franchised Business is conducted which uses the Marks or otherwise and refers, directly or impliedly, to the System.

15.3 Power of Attorney. Following expiration or earlier termination of this Agreement, Franchisor may execute in Franchisee's name and on Franchisee's behalf all documents necessary or advisable in Franchisor's judgment to terminate Franchisee's use of the Marks and Franchisor is hereby irrevocably appointed as Franchisee's attorney to do so, and such appointment, to the extent permitted by applicable law, shall survive the incapacity or death of an individual Franchisee.

15.4 Right of Franchisor to Repurchase. In the event of expiration or termination of this Agreement, Franchisor shall have the option, exercisable by written notice to Franchisee, to purchase from Franchisee free and clear of any lien, charge, encumbrance not previously approved by Franchisor, all or any portion of Franchisee's supplies or equipment for the Franchised Business.

15.5 Telephone Number(s) and URL(s). Rights to the telephone or facsimile number or numbers URL's or social media sites which are utilized in connection with the Franchised Business from time to time shall be the property of Franchisor or held by Franchisee in trust for Franchisor and, on expiration or earlier termination of this Agreement, Franchisee hereby irrevocably authorizes Franchisor to do whatever is necessary (including executing documents in the name of Franchisee) to transfer all rights to such number or numbers URL(s) or social media sites to Franchisor or an assignee of Franchisor. Further, Franchisor will itself execute similar documents if the telephone company or other entities so requests. Franchisor may require Franchisee to use only those telephone numbers, URL(s), social media accounts (i.e. facebook, linkedin, twitter,

yelp, etc.) owned by Franchisor in the operation of the franchised business. If Franchisee uses any personal phone numbers, URL's, social media accounts, etc, in the operation or promotion of the franchised business, without Franchisor's prior written consent, such phone numbers. URL's, social media accounts and etc. shall become the property of Franchisor.

16. RENEWAL

If Franchisee is in full compliance with this Agreement, has not at any time committed any Material Default, whether or not remedied, and meets Franchisor's then current standard requirements for franchisees, and the Franchisee has not been habitually in default under the Franchise Agreement, whether or not the Franchisor has issued notices of default, then Franchisor will enter into a new Franchise Agreement with Franchisee for an additional fifteen (15) year term (the "Renewal Term"), upon the following terms and conditions:

(a) Franchisee must give written notice of the right of renewal to Franchisor not more than twelve (12) calendar months and nor less than nine (9) calendar months prior to expiration of the Term;

(b) Franchisee shall, not less than six (6) calendar months prior to expiration of the Term, execute Franchisor's then current form of Franchise Agreement which shall include Franchisor's then current rates and the current definitions and shall, within 30 days prior to expiration of the Term, pay to Franchisor a non-refundable renewal fee $10,000

(c) Franchisee shall execute and, if Franchisee is a corporation, partnership or joint venture, shall cause all of its then current shareholders (both legal and beneficial), directors, officers, partners and joint ventures to execute a general release, in a form provided by Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, shareholders, employees, agents and other representatives with respect to the Term; and

(d) at the time of execution of a renewal Franchise Agreement, Franchisee shall not have been given notice of a default under this Agreement or any other agreement or obligation Franchisee may have with Franchisor (such as, but not limited to, another Franchise Agreement within the System) including, but not limited to, all obligations to pay Royalties, interest charges, audit fees and other amounts; responsibilities to comply with the Operations Manuals, including trade name and logo guidelines.

If Franchisee continues to operate after the end of the Term or any Renewal Term without exercising an option to renew, Franchisee shall be deemed to be operating on a month to month basis under the terms and conditions of Franchisor's then-current form of Franchise Agreement. In such circumstances, and notwithstanding the foregoing, Franchisor may on 10 days written notice terminate Franchisee's Franchise Agreement.

17. ASSIGNMENT OR TRANSFER

17.1 Assignment or Transfer by Franchisee. Franchisee acknowledges that the rights and duties created by this Agreement are personal to Franchisee and that Franchisor has entered into this Agreement in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Franchisee (or its principals, in the case of a corporate Franchisee). Therefore, except as expressly provided herein, neither this Agreement nor any of the rights and privileges of Franchisee contained herein, nor the Franchised Business or any part of it, nor any share or interest in Franchisee (if an entity) may be voluntarily, involuntarily, directly or indirectly (including by operation of law) assigned, sold, pledged, hypothecated, subdivided, sublicensed, optioned, diluted (such as by stock allotment) or otherwise transferred or encumbered, at law or at equity. Any assignment or transfer not expressly permitted by this Agreement shall constitute a breach of this Agreement and shall be of no force and effect, and shall not be effective to convey any interest in this Agreement or the Franchised Business. Without limiting the foregoing Franchisee shall not assign or transfer, in whole or in part, Franchisee's interest in this Agreement or the Franchised Business except upon the terms and conditions provided in this Article. Any such assignment or transfer shall require the prior written consent of Franchisor, which Franchisor will not withhold unreasonably. Franchisor may refuse to consent to an assignment or transfer if any Material Default has occurred and has not been remedied. By way of illustration and not limitation, Franchisor may withhold its consent if the proposed assignee or transferee does not meet Franchisor's then current requirements for its new franchisees, is and will remain involved in any way in another business similar to the Franchised Business, is not in Franchisor's opinion financially and operationally capable of performing the then current obligations of System franchisees, or has had previous business experience or lack of experience which, in the judgment of Franchisor, suggest that the proposed assignee or transferee may not be a suitable franchisee of the System. Franchisor's consent to any assignment or transfer shall not constitute a waiver of any claim, demand, action or cause of action which it may have against Franchisee, and shall not constitute a release of any third party guarantee or covenant for performance of this Agreement by Franchisee.

17.2 Transfer of Interest in Corporate Franchisee. Without limiting the foregoing section, in the event that Franchisee is a corporation, partnership or other form of business organization, any material change in the legal or beneficial ownership of Franchisee, whether by agreement, court order, or by operation of law will be deemed to be an assignment or transfer of this Agreement by Franchisee. For the purposes of this paragraph, a material change in ownership will be any cumulative change in the legal or beneficial ownership of voting shares (or comparable voting units) representing more than 10 percent of all outstanding voting shares (or comparable voting units).

17.3 Conditions of Consent. Any consent given to Franchisee to assign, transfer, sell or otherwise alienate or modify Franchisee's interest in this Agreement, in whole or in part and the Franchised Business shall be subject to the following conditions (none of which limit in any way the discretion of Franchisor to grant or reasonably withhold its consent to any proposed assignment or transfer):

(a) Franchisee shall submit all proposed advertisements for the sale of the Franchised Business to Franchisor for prior written approval, and Franchisor shall approve the material terms and conditions of any proposed transfer or assignment;

(b) Franchisee and assignee or transferee shall execute Franchisor's then current form of assignment of Franchise Agreement or, at the election of Franchisor, the assignee or transferee shall execute Franchisor's then current form of Franchise Agreement for a term equal to the remainder of the Term;

(c) Franchisee shall return to Franchisor the Operations Manuals and all other manuals and materials provided hereunder, for re-issuance to the assignee or transferee;

(d) Franchisee and its principals shall each execute a release in the form provided by Franchisor (notwithstanding an assignment or transfer, Franchisee shall not be released by Franchisor);

(e) the assignee or transferee and its designated management personnel shall have completed to Franchisor's satisfaction Franchisor's then-current training program;

(f) all obligations of Franchisee under this Agreement and under all documents relating hereto and any or all other agreements then in effect between Franchisor or its nominee and Franchisee shall be in good standing;

(g) Franchisee shall provide evidence sufficient to Franchisor, acting reasonably, that the assignee or transferee has either taken an assignment or deemed assignment of the Vehicle Lease (with the consent of the lessor), or that the Vehicle Lease has been terminated and the proposed assignee or transferee has entered into a new Vehicle Lease meeting Franchisor's then current specifications.

(h) Franchisor has received a transfer fee in the amount of ten thousand dollars ($10,000) ("Transfer Fee"). The Transfer Fee is payable as follows: (i) five thousand dollars ($5,000) upon Franchisee's request for Franchisor approval; and (ii) five thousand dollars ($5,000) upon Franchisor approval.

17.4 Franchisee's Release of Claims. It shall be a condition of Franchisor's consent to any assignment that Franchisee and its principals each deliver to Franchisor a complete release of all claims against Franchisor and its Affiliates and the respective directors, officers, shareholders, members, managers, partners, employees, agents and other representatives in respect of all obligations arising under or pursuant to this Agreement, such release shall be in a form provided by Franchisor.

17.5 Death, Incapacity or Permanent Disability. In the event of the death or permanent disability of a personal Franchisee (or a principal of Franchisee where Franchisee is an entity or other entity and its principal is the manager of the Franchised Business), the Franchisee or estate of a deceased personal Franchisee shall have the right, within 6 months after such event, to assign this Agreement to an assignee who is, in Franchisor's opinion, financially and operationally capable of performing the obligations of Franchisee hereunder, provided that each of the conditions set out in this Agreement inclusive are fulfilled to the reasonable satisfaction of

Franchisor. For the purposes of this Agreement, permanent disability means the inability of the personal Franchisee or principal to manage effectively the day-to-day operation of the Franchised Business for a period of 30 days. During any period of disability (permanent or otherwise) or pending assignment or in the event of death as aforesaid, in the event the Franchisee does not or is unable to replace the General Manager as required by this Agreement, Franchisor may appoint a competent and trained manager to operate the Franchised Business for the account of Franchisee, and at the cost of the Franchisee. The substitute manager shall be deemed for all purposes to be the agent or employee of Franchisee. Franchisor shall not be liable to Franchisee or to any creditor of the Franchised Business for any debt, obligation, contract, loss or damage incurred, or for any purchase made during any period in which the Franchised Business is so managed. Unless prohibited by state law, if Franchisee or estate of a deceased personal Franchisee fails to assign this Agreement to an assignee who is, in Franchisor's opinion, financially and operationally capable of performing the obligations of Franchisee hereunder within 6 months after such event, the Franchisor shall have to right to terminate this Agreement.

17.6 Right of First Refusal. If Franchisee or its shareholders shall at any time determine to sell, assign or transfer this Agreement or an interest in the Franchised Business or any equity interest in Franchisee (if an entity), then Franchisee shall provide Franchisor with a copy of the written offer from a fully disclosed purchaser. Franchisor shall have the right, exercisable by written notice delivered to Franchisee within 15 days from the date of delivery of a bona fide offer, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer and shall have not less than 60 days to prepare for closing. Franchisor may, at closing, pay any of Franchisee's trade creditors out of the purchase price, and set off against the purchase price any unpaid debts of Franchisee to Franchisor. If Franchisor does not exercise its right of first refusal, Franchisee (or other vendor) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to compliance with the consent and approval requirements of this Article; provided, however, that if the sale to such purchaser does not complete within 90 days after delivery of such offer to Franchisor, or if there is a material change in the terms of the sale, then Franchisor shall again have a new right of first refusal as herein provided.

17.7 Assignment by Franchisor. This Agreement may be assigned in whole or in part by Franchisor at its sole discretion and, if Franchisor makes a full assignment to a third party and the third party agrees in writing to assume all of the obligations and liabilities of Franchisor hereunder, then Franchisor shall automatically be released from all obligations and liabilities hereunder. A partial assignment by Franchisor may include an assignment of the Royalties payable by Franchisee.

17.8 Broker Fees. Any Broker Fee payable by Franchisor as a result of a transfer by Franchisee, shall be paid to Franchisor by transferring Franchisee on or before the date of such transfer.

17.9 Legend on Share Certificates. If Franchisee is an entity Franchisee shall cause all shares of its capital stock, unit certificates or similar agreements or modifications of ownership, the following legend, with necessary changes: The corporation and the securities evidenced by this certificate are subject to, and the disposition and transfer of such securities are restricted by, a Franchise Agreement dated as of [Effective Date], between the corporation and JDog Carpet

Franchising, LLC, a copy of which may, at the request of any shareholder of the corporation, be examined at the principal business office of the corporation during normal business hours.

18. NON-COMPETITION.

Except as expressly permitted by this Agreement or by any other written agreement between Franchisor and Franchisee, during the currency of this agreement and for a period of 24 months after expiration of the Term or an exercised Renewal Term or earlier termination of this Agreement, Franchisee shall not:
(a) directly or indirectly,
(b) in any capacity whatsoever,
(c) either alone or in any relationship with any other person, firm, corporation or other business organization,
(d) as an employee, consultant, principal, agent, member, partner, shareholder, investor, lender, director, officer, guarantor, indemnitor, credit holder, supplier, landlord or sub landlord,
(e) within the Territory,
(f) within a 15 mile radius of the territory of any Franchised Business of the System (including one owned by Franchisor or one of its Affiliates) which is in existence at the date of expiration or sooner termination of this Agreement, and
(g) within the metropolitan area in which the Territory is situated, more particularly described in **Schedule A**, compete with the System (or any similar system owned by Franchisor or its Affiliates) or (i) carry on, engage or be financially concerned or interested in, or (ii) advise, supervise, manage, supply, loan money to or guarantee or indemnify the duties or obligations of any other person, firm, corporation or other entity engaged in or concerned with or interested in any business engaging in any enterprise similar in nature to the System, or offering for sale any products similar to the Services. This Article shall also continue to apply to Franchisee in the case of any assignment of this Agreement or any sale of the Franchised Business or transfer or allotment of shares of Franchisee. This Article shall survive the expiration or sooner termination of this Agreement and any assignment, transfer or sale hereunder. Franchisee acknowledges that by reason of the unique nature and considerable value of the Marks and the business reputation associated with Franchisor and the System, including methods of operating, format and related proprietary rights and by reason of Franchisee's knowledge of and association and experience with the System, the provisions of this Article are reasonable and commensurate for the protection of the legitimate business interests of Franchisor, its Affiliates and franchisees. Franchisor may, by written notice to Franchisee, reduce one or more of the temporal, territorial or scope of restricted activities aspects of non-competition provided in this Article.

19. MISCELLANEOUS

19.1 Indemnity by Franchisee. Except as otherwise provided in this Agreement, Franchisee agrees to indemnify and hold harmless Franchisor, its subsidiaries, Affiliates, shareholders, directors, officers, employees, agents, assignees and other franchisees from and against, and to reimburse them for, all liabilities, obligations, and consequential damages, taxes, costs, losses and actual legal expenses incurred by them in connection with any claim, litigation or other action or proceeding arising out of the operation of the Franchised Business by Franchisee. Franchisee shall

be responsible for and shall pay and satisfy any judgment or settlement that may arise out of any such claim, litigation, action or proceeding without limiting the generality of the foregoing. Franchisee agrees that if Franchisor is made a party to any lawsuit or any other action or proceeding in connection with the Franchised Business or the activities of Franchisee or any of its Affiliates, Franchisor may, at its sole option, either (a) permit Franchisee to conduct the defense or prosecution of the matter at the cost of Franchisee; or (b) take conduct of the defense or prosecution, in which case all expenses thereof will be borne or reimbursed by Franchisee. This indemnity shall continue in full force after termination or expiration of this agreement.

19.2 Interest on Overdue Amounts. All payments required to be made by Franchisee to Franchisor under or pursuant to this Agreement shall bear simple interest from and after their respective due dates until paid in full at the rate of 24% per annum or such other rate as Franchisor may specify in writing from time to time or the maximum rate permitted by law if lower.

19.3 Application of Payments. Franchisor shall have sole discretion to apply any payments made by Franchisee to any past due indebtedness of Franchisee, including but not limited to Royalties, Advertising/Promotion Royalties, purchases from Franchisor or any of its Affiliates, interest or other indebtedness. Subject to applicable law and prior claims, if any, and unless otherwise indicated by Franchisor from time to time, all amounts paid by Franchisee to Franchisor under this Agreement, will be applied in the following order: (i) to any unpaid Royalty; (ii) to any unpaid account for supplies or other miscellaneous accounts. Payments towards any particular account shall first be applied towards interest on arrears, if any, then towards principal.

19.4 Parties are Independent Contractors. You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, JDog Carpet Cleaning business personnel, and others as a JDog Carpet Cleaning business owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time

19.5 Conformity with Laws. If any statute, law, by-law, ordinance or regulation promulgated by any competent authority with jurisdiction over any part of this Agreement or the Franchised Business or any court order pertaining to this Agreement requires a longer or different notice period than that specified herein, the notice period shall automatically be deemed to be amended so as to conform with the minimum requirements of such statute, law, by-law, ordinance, regulation or court order.

19.6 Additional Franchises. Franchisee acknowledges that Franchisor may from time to time grant franchises for additional Franchised Businesses under terms that may differ materially from the terms of this Agreement and that consequently Franchisor's obligations and rights with respect to its various franchises may from time to time differ materially from those provided in this Agreement.

19.7 Waiver. Franchisor reserves the right, from time to time, to waive observance or performance of any obligation imposed on Franchisee by this Agreement. No waiver of any

default of any term, proviso, covenant or condition of this Agreement by Franchisor shall constitute a waiver by Franchisor of any prior, concurrent or subsequent default of the same or any other term, proviso, covenant or condition hereof

19.8 Entire Agreement. This Agreement sets forth the entire agreement between Franchisor and Franchisee and contains all of the representations, warranties, terms, conditions, provisos, covenants, undertakings and conditions agreed upon by them with reference to the subject matter hereof all other representations, warranties, terms, conditions, provisos, covenants, understandings and agreements, whether oral or written (including without limitation any letter of intent between the parties and other pre-contractual representations), are waived and are superseded by this Agreement. Notwithstanding the foregoing, nothing in this Franchise Agreement and Exhibits is intended to disclaim the express representations made in the Franchise Disclosure Document.

19.9 Amendments. This Agreement can be amended or added to only by a writing executed by both Franchisor and Franchisee.

19.10 Further Assurances. Franchisor and Franchisee will each acknowledge, execute and deliver all such further documents, instruments or assurances and will each perform such further acts or deeds as may be necessary or advisable from time to time to give full effect to this Agreement.

19.11 Severability. If any article, section or subsection of this Agreement or any portion thereof is determined to be indefinite, invalid, illegal or otherwise void, voidable or unenforceable, then it shall automatically be severed from this Agreement and the balance of this Agreement shall continue in full force and effect.

19.12 Governing Law. This Agreement shall be construed and interpreted according to the laws of the Commonwealth of Pennsylvania, except that no Pennsylvania statute or regulation shall apply or shall give rise to any right or claim unless the Territory is in the Commonwealth of Pennsylvania and such statute or regulation would apply to this Agreement by its own terms in the absence of any choice of law provision. The Pennsylvania Court of Common Pleas or the U.S. District Court for the Eastern District of Pennsylvania, as appropriate, shall have exclusive jurisdiction to entertain any proceeding relating to or arising out of this Agreement, and Franchisee and Franchisor each consent to the jurisdiction of such Courts in all matters related to this Agreement; provided that Franchisor may obtain relief in such other jurisdictions as may be necessary or desirable to obtain injunctive or other relief to enforce the provisions of this Agreement.

19.13 Resolution of Disputes.

(a) Mediation. Subject to the terms hereof, all claims or disputes between Franchisee and Franchisor or its affiliates arising out of, or in any way relating to, this Agreement, or any of the parties' respective rights and obligations arising out of this Agreement, shall be submitted first to mediation prior before commencing any arbitration or other action against Franchisor or its affiliates with respect to any such claim or dispute. Franchisee must submit a notice to Franchisor, which notice must specify in detail, the precise nature and grounds of such claim or dispute ("Statement of Dispute"). The parties shall then use their best efforts to communicate with each other to try to resolve the dispute. If the dispute or claim has not been resolved within

30 days after receipt of the written notification of dispute, the parties may then turn to other dispute resolution alternatives. At any time during the 30-day period following receipt by the recipient party of the Statement of Dispute, either party may demand non-binding mediation before an independent mediator on the basis of the Statement of Dispute and, if such demand is made by a party, the other party agrees to participate. Such mediation shall be held at the offices of Franchisor or such other site designated by Franchisor within 30 days of receipt of the notifying party's mediation demand. The parties shall meet face-to-face for a minimum of eight hours before a representative of a mediation organization approved by all such parties and/or entities or a court-appointed mediator appointed if the parties cannot agree on a mediation organization. At least one principal of each party, with authority to settle the dispute, shall attend the mediation meeting.

Each party agrees that any mediation proceeding and any arbitration/legal proceedings, either subsequently commenced against the other party or initiated without a mediation demand/proceeding, shall be limited to claims raised in that party's Statement of Dispute or response thereto. All matters, allegations and documents will be confidential and will not be disclosed to any other person or entity by either party. The Franchisor and Franchisee shall share equally the cost of the mediator, regardless of the outcome of the mediation, or the ultimate resolution of any dispute. The parties agree not to take any further steps in any action between them during mediation, unless necessary to avoid irreparable harm or required by law. To the extent (i) Franchisor seeks injunctive or other equitable relief pursuant to one or more applicable sections of this Agreement, or (ii) Franchisor is a party to litigation brought by third parties as a direct or indirect result of or in connection with the operation of the Franchised Business, or (iii) this Agreement terminates immediately pursuant to the provisions this Agreement, the dispute resolution requirements under this Section (a) and (b) above do not apply. In addition, the application of the dispute resolution provisions set forth herein shall not preclude the Franchisor from terminating this Agreement for any Material Default pursuant to this Agreement after any applicable cure period has expired and Franchisee has failed to so cure such Material Default.

(b) Franchisor shall not be required to first attempt to mediate a controversy, dispute or claim against Franchisee through mediation as set forth in this section 19.13 if such controversy, dispute or claim concerns an allegation by Franchisor that Franchisee has violated, or threatens to violate, or poses an imminent risk of violating: (1) any of Franchisor's intellectual property rights in the Franchisor Proprietary Marks, the Franchisor System or in any of Franchisor's Confidential Information; or (2) any of the restrictive covenants contained in this Agreement.

(c) Arbitration. If not resolved by mediation, all disputes and claims relating to this Agreement or any other agreement entered into between the parties, the rights and obligations of the parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, shall be settled by arbitration in Philadelphia, Pennsylvania in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed by the Federal Arbitration Act, as amended. The following shall supplement and, in the event of a conflict, shall govern any arbitration: If the claim, or a counterclaim, is for $30,000 or more, the matter shall be heard before a panel of three (3) arbitrators and each party shall appoint its own arbitrator, and the appointed arbitrators shall appoint a "neutral" arbitrator from the AAA' s list of arbitrators. Each party must bear its own costs of arbitration

including the fee for their respective arbitrator; provided, however, that the neutral or the single arbitrator's fee shall be shared equally by Franchisor and Franchisee.

Whether the matter is heard by a single arbitrator or three, the arbitrator's award shall be rendered within 7 days of the close of the hearing and shall include all fees, costs and attorneys' fees. The arbitrators shall have no authority to determine class action claims and shall have no authority to amend or modify the terms of the Agreement. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration, except to the extent such issue may have been determined in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District for the Eastern District of Pennsylvania and, if confirmed, may be subsequently entered in any court having competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

(d) Notwithstanding anything to the contrary in this Agreement, Franchisor shall not be required to arbitrate the following disputes or claims against Franchisee:

(1) a collection action not in excess of $15,000;
(2) injunctive claims pursuant to subsection (e) below; and
(3) claims that may be asserted by Franchisor against Franchisee in any action to which a third party, i.e. not a party to this Agreement or a guarantor of a party's obligations under this Agreement, is a party litigant.

(e) Injunctive Relief. Nothing contained in this Agreement herein shall prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any arbitration proceeding or pending the trial or handing down of a decision or award pursuant to any arbitration proceeding conducted under this Agreement.

(f) Jurisdiction and Venue. With respect to any proceeding not subject to arbitration, the parties agree that any action at law or in equity instituted against either party to this Agreement shall be commenced only in the Pennsylvania Court of Common Pleas for Montgomery County, Pennsylvania or the United States District Court for the Eastern District of Pennsylvania.

(g) Jury Trial Waiver. With respect to any proceeding not subject to arbitration, the parties hereby agree to *waive* trial by jury in any action, proceeding or counterclaim, whether at law or equity or between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or Franchisee's purchase from Franchisor of the franchise and/or any goods or services.

(h) Class Action Waiver. The parties agree that all proceedings shall be conducted on an individual, not a class-wide basis, and that any proceeding between Franchisee and Franchisor or its affiliates or employees, whether. through mediation, arbitration or litigation, may not be consolidated with any other proceeding between Franchisor and any other person or entity.

(i) Waiver of Punitive Damages. Franchisee waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages, whatsoever, whether such cause be based in contract, negligence,. strict liability, other tort or otherwise, and agrees that in the event of a dispute, its recovery shall be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason , the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

(j) Attorneys' Fees. If either party institutes any judicial or arbitration proceeding to enforce any monetary or non-monetary obligations or to interpret the terms of this Agreement, the prevailing party shall, upon final judgment, be entitled to recover all costs, including reasonable attorneys' fees, incurred with such proceeding.

19.14 Survival of Covenants. The terms, provisions, covenants, conditions and obligations contained in or imposed by this Agreement which, by their terms, require performance by Franchisee after the expiration or other termination of this Agreement, shall be and remain enforceable thereafter.

19.15 Inurement. This Agreement inures to the benefit of and is binding upon Franchisor and Franchisee and their respective heirs, executors, administrators, legal personal representatives, permitted successors and permitted assigns.

19.16 Potential Earnings. Franchisee fully understands and acknowledges that the success of the Franchised Business to be established hereunder will, to a great extent, be dependent upon the personal time and efforts contributed by Franchisee and Franchisee's employees (as well as Franchisee's partners or directors if Franchisee is a partnership or a corporation). Franchisee acknowledges that neither Franchisor nor anyone else has represented, warranted or guaranteed to Franchisee that Franchisee will enjoy financial success in owning and operating the Franchised Business. Franchisee also acknowledges that all sales, income and profit projections (whether verbal, in writing or a combination of the two) which have been made by the franchisee are based on the Franchisee's expectations and assumptions about future economic conditions (excluding, however, potential completion by third parties which the Franchisee cannot predict) which Franchisee believes to be reasonable, but neither Franchisor nor anyone else has made any representation, warranty or guarantee regarding the level of Gross Revenue, net income or profit margins which may be achieved at the Franchised Business and that, in the final analysis, the results achieved at the Franchised Business will be particular to it, in the same way that financial results individually achieved by existing franchised businesses are particular to them. Franchisee accepts the risk of the Franchised Business not achieving the levels of gross revenue and net income during the Term which Franchisee at the Effective Date hopes to achieve.

19.17 Acknowledgements by Franchisee. Franchisee acknowledges that he, she or it has received, has had ample time to read and study, and has read and studied this Agreement and fully understands its provisions. Franchisee further acknowledges that he, she or it has had an adequate opportunity to be advised by legal counsel and accounting professionals of his, her or its own choosing regarding all aspects of this Agreement and the relationship created thereby.

Franchisee acknowledges that certain breaches of this Agreement would result in loss to Franchisor for which Franchisor could not be adequately compensated in damages by a monetary award. Accordingly, Franchisee agrees that in the event of any such breach of this Agreement, Franchisor shall, in addition to all the remedies available to Franchisor at law or in equity, be entitled as a matter of right to a restraining order, injunction (including an interim injunction), decree of specific performance or otherwise, without the need to post any bond or other security in connection therewith, to ensure compliance by Franchisee with the provisions of this Agreement and preservation of Franchisor's proprietary rights. Franchisee acknowledges that all restrictions in this Agreement are necessary and fundamental to the protection of the legitimate business interests of Franchisor and all of its franchisees and, having regard to the interests of Franchisor and Franchisee, are reasonable, and all defenses to the strict enforcement thereof by Franchisor are hereby waived by Franchisee. Franchisee acknowledges that it is solely responsible for investigation of all regulation's applicable to the Franchised Business and for obtaining all necessary permits to operate the Franchised Business, and Franchisor makes no representation as to such regulations, if any, or that such licenses or permits are available, nor has Franchisor undertaken any such investigation on its own. Franchisee acknowledges that Franchisor may conduct investigations and make inquiries of any persons as Franchisor, in its reasonable judgment, deems appropriate concerning the credit standing, character and personal qualifications of Franchisee and the partners, shareholders, directors and officers of Franchisee, and Franchisee, by his or her execution hereof, hereby on his or her own behalf and on behalf of his or her partners, shareholders, directors and officers (whose authorization to do so Franchisee expressly represents that he or she has) consents and agrees to Franchisor conducting any investigations and making any inquiries that Franchisor considers appropriate.

19.18 Time of Essence. Time shall be of the essence for all purposes of this Agreement.

19.19 Notices. Any notice required or permitted to be given by this Agreement shall be in writing and shall be deemed to have been duly given if delivered by hand, sent by confirmed facsimile (with concurrent mailing of the original thereof), nationally-recognized overnight courier, or mailed by certified or registered mail, postage prepaid, addressed to Franchisor and to Franchisee at their respective addresses set out on page 1 hereof or to such other address as the respective parties may give notice of in the same manner. Any such notice shall be deemed to have been given and received, if delivered when delivered, or, when sent if sent by confirmed facsimile (and mailing of the original thereof) if mailed, on the third Business Day following the mailing thereof; provided, however, that no notice which is mailed shall be deemed to be received if between the time of mailing and the third Business Day thereafter there is any labor dispute, strike or lockout affecting mail in the geographic areas in which the notice is mailed or intended to be received.

19.20 Schedules. Schedules and other documents attached or referred to in this Agreement are an integral part of this Agreement.

19.21 Submission of Agreement. The submission of this Agreement to Franchisee does not constitute an offer by Franchisor. This Agreement shall only become effective when it has been executed by both Franchisor and Franchisee.

19.22 Consents. Unless otherwise expressly provided herein, anything Franchisor is to provide written consent or approval to Franchisee under this Agreement, such consent or approval shall not be unreasonably withheld.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF Franchisor and Franchisee have executed this agreement on the date or dates set forth below, but with effect from the Effective Date shown in Schedule A.

FRANCHISOR:

JDog Carpet Franchising, LLC

_____

By: Jerry Flanagan
Title: CEO

Dated:_____

FRANCHISEE:

_____

By:

Dated:_____

Schedule A
to Franchise Agreement between
JDog Carpet Franchising, LLC and _____

Effective Date: _____

Franchised Location: _____

Territory: Zip Codes:

Scheduled Opening Date: _____

Term: _____

Initial Fee: _____

Management Personnel: _____

Renewal Term: 15 years

☐ **Tier 1 Territory (contains greater than 100,000 persons at time of designation)**

☐ **Tier 2 Territory (to be designated by Franchisor only, and limited to Territories containing greater than 50,000 and not more than 100,000 persons at time of designation)**

☐ **Tier 3 Territory (to be designated by Franchisor only, and limited to Territories containing fewer than 50,000 persons at time of designation)**

FRANCHISE AGREEMENT
SCHEDULE B
FRANCHISEE'S PRINCIPAL GUARANTY

This Franchisee's Principal Guaranty and Covenant (this "Guaranty") is given by each of the undersigned (each a "Guarantor") on _____, 201__ to **JDog Carpet Franchising, LLC**, a Delaware limited liability company having its headquarters office at 1021 Old Cassatt Road, Suite 100, Berwyn, PA 19312("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated of even date herewith (the "Franchise Agreement") with _____, a _____ with its principal offices at _____ ("Franchisee").

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty and the undertakings of the Franchisee's Principal herein and in the Franchise Agreement are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the covenants, representations, warranties and agreements of the Franchisee's Principal as set forth in the Franchise Agreement.

Guarantor does hereby guaranty to Franchisor the prompt payment and performance when due of any and all liabilities and obligations arising under or evidenced by the Franchise Agreement, any promissory note or other credit instruments, and any other liabilities, obligations and indebtedness of Franchisee and/or any of it assignees or affiliates to Franchisor and/or any of its assignees or affiliates, of every kind and description, now existing or hereafter incurred or arising, matured or unmatured, direct or indirect, absolute or contingent, due or to become due, and any renewals, consolidations and extensions, including any future advances from Franchisor to Franchisee (collectively, the "Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is irrevocable and unlimited. This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Franchisor shall not be required to pursue any remedy on said Guaranteed Obligations as a condition of the obligation hereunder of Guarantor. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Guarantor agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement and any other agreement between Franchisee and Franchisor.

Guarantor waives any and all notice of the creation, renewal, extension, accrual, modification, amendment, release, or waiver of any of the Guaranteed Obligations and notice of or proof of reliance by Franchisor upon this Guaranty or acceptance of this Guaranty. The Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended,

modified or waived, in reliance upon this Guaranty and all dealings between Franchisor and Guarantor shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty. Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

No change in the name, objects, share capital, business, membership, directors' powers, organization or management of the Franchisee shall in any way affect Guarantor in respect of the Guaranteed Obligations either with respect to transactions occurring before or after any such change, it being understood that this Guaranty is to extend to the person(s) or entity(ies) for the time being and from time to time carrying on the business now carried on by the Franchisee, notwithstanding any change(s) in the name or shareholders of the Franchisee, and notwithstanding any reorganization or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

IN WITNESS WHEREOF, Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR:

By:_____

Name:

EXHIBIT C: Operations Manual Table of Contents

JDog Carpet Cleaning Digital Confidential Operations Manual – Approximate Table of Contents if Printed:

Welcome Letter

1. Foreword
    - 1.1. Letter From the CEO
    - 1.2 Mission Statement
    - 1.3 History of JDog Franchises
    - 1.4 Services Provided to Franchisees
        - 1.4.1 Boot Camp
        - 1.4.2 Ongoing Training and Support
        - 1.4.3 Advertising Materials and Sales Aids
        - 1.4.4 Ongoing Research and Development
        - 1.4.5 JDog Corporate Services
    - 1.5 Revenue Streams
    - 1.6 Franchisee Responsibilities
        - 1.6.1 Responsibilities to Customers
        - 1.6.2 Responsibilities to Employees
        - 1.6.3 Responsibilities to Fellow Franchisees
        - 1.6.4 Responsibilities to Franchisor

2. Initial Setup
    - 2.1 Licenses and Permits
    - 2.2 Bank Accounts
    - 2.3 Insurance
    - 2.4 Electronic Funds Transfer
    - 2.5 Royalty
    - 2.6 Tax Obligations
        - 2.6.1 Employer Identification Number
        - 2.6.2 General Tax Considerations
    - 2.7 Carpet Cleaning Van
        - 2.7.1 Vehicle Wrap
    - 2.8 Tools and Equipment
    - 2.9 JDog Franchise Website
    - 2.10 Statement of Territorial Policy
        - 2.10.1 Advertising You Perform Must be Concentrated in Your Territory
        - 2.10.2 Soliciting Business in Another Franchisee's Territory is Prohibited
        - 2.10.3 Enforcement
    - 2.11 Soft Opening
    - 2.12 Grand Opening

3. Office Operations
    - 3.1 Battle Rhythm
    - 3.2 Phone Procedures

        3.2.1 Voicemail
    3.3 Scheduling
    3.4 Work Orders
    3.5 Invoicing
    3.6 Bookkeeping
    3.7 Inventory Management
    3.8 Vehicle Maintenance

4. Personnel Management
    4.1 Hiring
        4.1.1 Job Posts
        4.1.2 Screening
        4.1.3 Interviewing
    4.2 Pay Considerations
    4.3 Insurance Considerations
    4.4 Performance Management
    4.5 Firing

5. Marketing
    5.1 Direct Marketing
    5.2 Guerilla Marketing
    5.3 Mass Media
    5.4 Sponsorships
    5.5 Networking
    5.6 Price Positioning
    5.7 Marketing Tactics
        5.7.1 AIR, LAND, SEA
        5.7.2 Strategic Partnerships
        5.7.3 Parking
        5.7.4 Lawn Signs
        5.7.5 Door Hangers
        5.7.6 Thank You Cards
        5.7.7 Brochures
        5.7.8 Business to Business

6. Field Operations

7. Carpet Cleaning
    7.1 Residential Carpet Cleaning
    7.2 Commercial Carpet Cleaning
    7.3 Spot Removal
        7.3.1 Red Stains
        7.3.2 Pet Stains
    7.4 Estimating

8. Rug Cleaning
    8.1 Wool

8.2 Synthetic
8.3 Silk

9. Upholstery
    9.1 Wet Cleaning
    9.2 Dry Cleaning

10. Tile Cleaning
    10.1 Residential
    10.2 Commercial
    10.3 Estimating

11. Hardwood Clean and Polish
    11.1 Cleaning
    11.2 Polishing
    11.3 Estimating

Total Pages Currently: **Approximately 60**

EXHIBIT D
EFT (Electronic Funds Transfer Agreement)

BANK DRAFT AGREEMENT AUTHORIZATION
FOR PRE-AUTHORIZATION PAYMENTS TO
JDOG CARPET FRANCHISING, LLC

_____
Account Name

_____
Account Number

_____
Bank Transit Number (ABA)

_____
Bank Name (Please Print) ("Bank")

_____
Address

Effective as of the date of the signature below, the undersigned hereby authorizes JDOG CARPET FRANCHISING, LLC ('JDOG CARPET CLEANING") to initiate debit entries by either electronic or paper means to the undersigned's bank Account Number listed above (at the bank indicated above as the "Bank") and authorizes the Bank to debit the same account and to make payment to JDOG CARPET CLEANING, 1021 Old Cassatt Road, Suite 100, Berwyn, PA 19312 or any other address which may be dictated by the franchisor for any and all Royalty Fees and other fees due and owing under the Franchise Agreement. Franchisee acknowledges that Royalties and all other fees may be collected by Franchisor in the manner provided for in the Franchise Agreement. .

The undersigned agrees that in making payment for such charges, the Bank's rights shall be the same as if each were a charge made and signed personally by the undersigned. The Bank shall have no obligation whatsoever regarding the calculation or verification of the amount of any payments.

This authority shall remain in full force and effect until JDOG CARPET CLEANING and the Bank have received a minimum of ninety (90) days advance written notice from the undersigned of the termination of authority granted herein. Until the Bank actually receives such notice, the undersigned agrees that the Bank shall be fully protected in paying any amounts pursuant to this authority. The undersigned further agrees that if any such payments are not made, whether with or without cause, and whether intentionally or inadvertently, the Bank shall be under no liability to the undersigned.

Print:_____
Franchisee

By:_____ Date_____
Name and Title:

EXHIBIT E: Representations and Acknowledgment Statement

FRANCHISEE HEREBY ACKNOWLEDGES THE FOLLOWING:

Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

_____
Initial

Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

_____
Initial

Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing this Agreement and that it/she/he understands all the terms and conditions of this Agreement. Franchisee further acknowledges that this Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

_____
Initial

Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by this Agreement that are contrary to the terms of this Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth herein. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining this Agreement.

_____

Initial

Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

_____
Initial

Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

_____
Initial

Franchisee acknowledges that it has received the JDog Carpet Franchising, LLC, Franchise Disclosure Document with a complete copy of this Agreement and all related Exhibits and agreements at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

_____
Initial

Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to this Agreement or the relationship thereby created.

_____
Initial

Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by this Agreement.

_____
Initial

Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

_____
Initial

It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

_____
Initial

Release of Prior Claims. BY EXECUTING THIS AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE JDOG CARPET FRANCHISING, LLC, J DOG HOLDINGS, LLC, THE JDOG INDEMNITEES, AND ALL OF THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS AND SUCCESSORS AND ASSIGNS FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

_____
Initial

FRANCHISEE:	**FRANCHISOR:** **JDog Carpet Franchising, LLC**
_____	_____
By: **Title:** **Dated:**	**By: Jerry Flanagan** **Title: CEO**

EXHIBIT F: State Specific Addenda

The provisions of this State-Specific Addendum to the Franchise Disclosure Document, Franchise Agreement, and Related Agreements ("**State Addendum**") apply only to those persons residing or operating Franchise Businesses in the following states:

CALIFORNIA

1. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

   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.

   See the cover page of the Disclosure Document for our URL address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

2. The following statement is added to the STATE COVER PAGE:

   FRANCHISEES MUST ALSO SIGN A PERSONAL GUARANTY, MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT IF YOU ARE MARRIED. THE GUARANTY WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

3. The following statement is added to Item 3:

   Neither Franchisor nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. The following statements are added to Item 17:

   The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law

(California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement requires binding arbitration. The arbitration will occur in Philadelphia, Pennsylvania, with the parties bearing their own costs of arbitration, including the fee for their respective arbitrator, except that the neutral arbitrator's (or the single arbitrator's, as the case may be) fee shall be shared equally between the parties. 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.

The Franchise Agreement requires application of the laws and forum of the Commonwealth of Pennsylvania. These provisions may not be enforceable under California law.

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

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

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.

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

5. The following statement is added to Item 19:

   The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your JDog Carpet Cleaning franchised business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

ILLINOIS

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

The Illinois Attorney General requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the "Act"). To the extent that (i) the jurisdictional requirements of the Act are met and (ii) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) Illinois law governs the Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

(b) No franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois, nor shall the Franchise Agreement provide for a choice of law provision for any state other than Illinois.

(c) Any condition, stipulation, or provision purporting to bind a franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent a franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

(d) Payment of initial franchise fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

AMENDMENT TO THE JDOG CARPET CLEANING FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the "Act"), which govern the attached JDog Carpet Cleaning Franchise Agreement (the "Franchise Agreement"), the parties thereto agree as follows:

1. To the extent of any inconsistences, the Franchise Agreement is hereby amended to further state:

"Section 4 of the Act provides that no franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois."

2. To the extent of any inconsistences, the Franchise Agreement is hereby amended to further state:

"Illinois law governs the terms of this Franchise Agreement."

3. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

"Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

4. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

"To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control."

5. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to state that Franchisor shall defer collection of the Initial Franchise Fee until Franchisor has satisfied its pre-opening obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Officer of the Illinois Attorney General due to Franchisor's financial condition.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Illinois Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

JDog Carpet Franchising, LLC

By:_____

Jerry Flanagan , CEO
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

MARYLAND

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MARYLAND

This addendum to the Franchise Disclosure Document required by the State of Maryland applies to residents of Maryland, franchises that would be operated in Maryland, and franchise offers and sales made in Maryland. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. Item 17 is amended to state:

(a) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(b) The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

(c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq*.).

(d) A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

2. Exhibit E, Franchise Representation and Acknowledgment Statement, is amended to state:

> "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

AMENDMENT TO THE JDOG CARPET CLEANING FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached JDog Carpet Cleaning Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

> "Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq*.)."

3. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

> "You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

4. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

> "Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise."

5. To the extent of any inconsistencies, the Franchise Agreement is amended to further state:

> "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

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

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

JDog Carpet Franchising, LLC

By:_____

Jerry Flanagan, CEO
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

MINNESOTA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MINNESOTA

The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. Item 17 is amended to state:

(a) Minn. Stat. § 80C.21 and Minnesota Rules § 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this Franchise Disclosure Document or agreement(s) shall abrogate or reduce (1) any of your rights as provided for in Minn. Stat. Chapter 80C or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(b) In accordance with Minn. Stat. § 80C.14 subd. 3-5, except in certain specified cases, we will give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement. Additionally, we will not unreasonably withhold our consent to a transfer of your JDog Carpet Cleaning.

(c) In accordance with Minnesota Rules 2860.4400(D), we cannot require you to assent to a general release.

(d) Minn. Stat. § 80C.17 subd. 5 requires that an action be commenced pursuant to the Franchise Act within three (3) years after the cause of action accrues.

(e) You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rules 2860.4400(J),

AMENDMENT TO THE JDOG CARPET FRANCHISING LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Statutes Chapter 80C, the parties to the attached JDog Carpet Cleaning Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee's assent to a release other than as part of a voluntary settlement of disputes. To the extent of any inconsistencies with the Minnesota Rules requirement contained in the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to state:

> "Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 4, Franchisor will give Franchisee 180 days' notice for non-renewal of the Franchise Agreement."

3. To the extent of any inconsistencies, the Franchise Agreement are hereby amended to state:

> "Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 3, Franchisor will give Franchisee 90 days notice of termination (with 60 days to cure)".

4. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to state:

> "Franchisor cannot require Franchisee to: (i) conduct litigation outside Minnesota, (ii) waive a jury trial, or (iii) consent to liquidated damages, termination penalties or judgment notes. Nothing in this Franchise Agreement shall abrogate or reduce (1) any of Franchisee's rights as provided for in Minn. Stat. Chapter 80C or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief."

8. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes Chapter 80C are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Minnesota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

JDOG CARPET FRANCHISING LLC

By:_____

Jerry Flanagan, CEO
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

NEW YORK

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or

decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer"**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee"**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor"**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum"**, and Item 17(w), titled "**Choice of law"**:

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

NEW YORK RIDER TO JDOG CARPET FRANCHISING LLC FRANCHISE AGREEMENT

THIS RIDER TO THE FRANCHISE AGREEMENT FOR NEW YORK ("Rider") is entered into by and between JDog Carpet Franchising LLC, a Delaware limited liability company, with its principal office at 1021 Old Cassatt Road, Suite 100, Berwyn, PA 19312 ("we," "us" or "our") and _____ _____ ("you" or "your"), whose principal business address is _____ _____.

WHEREAS, we and you have entered into a certain Franchise Agreement dated ____ _____, 20___ which grants you the right to operate a JDog Carpet Cleaning franchise (the "Franchise Agreement");

WHEREAS, you are domiciled in New York and the JDog Carpet Cleaning franchise will be located in New York, and/or any of the offering or sales activity relating to the Franchise Agreement occurred in the State of New York; and

WHEREAS, in recognition of the requirements of the General Business Law of the State of New York, Article 33, Sections 680-695, we and you desire to amend certain terms of the Franchise Agreement in accordance with the terms and conditions contained in this Rider.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Franchise Agreement and this Rider and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we and you agree as follows:

1. To the extent of any inconsistencies, the Franchise Agreement is amended to state:

   To the extent required by applicable law, notwithstanding the signing of a General Release, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force.

2. To the extent of any inconsistencies, the Franchise Agreement is amended to state:

   To the extent required by applicable law, Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment.

3. To the extent of any inconsistencies, the Franchise Agreement is amended to state:

   New York Law governs any cause of action which arises under the New York General Business Law, Article 33, Sections 680-695. The

provisions of this Franchise Agreement shall not be deemed a waiver of any rights conferred upon Franchisee by Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

4. In the event of any conflict between a provision of the Franchise Agreement and this Rider, the provision of this Rider shall control. All terms which are capitalized in this Rider and not otherwise defined, will have the meanings given to them in the Franchise Agreement. Except as amended by this Rider, the Franchise Agreement is unmodified and in full force and effect in accordance with its terms.

5. Each provision of this Rider will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, Article 33, Sections 680-695 are met independent of this Rider.

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IN WITNESS WHEREOF, the parties hereto have duly executed this New York Rider to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

JDOG CARPET FRANCHISING LLC

By:_____

Jerry Flanagan, CEO
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

NORTH DAKOTA

ADDENDUM TO THE JDOG CARPET FRANCHISING LLC FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NORTH DAKOTA

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, NDCC § 51-19 *et seq.* ("NDFIL"). To the extent that (a) the jurisdictional requirements of the NDFIL are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

1. Covenants not to compete upon termination or expiration of the franchise agreement are subject to NDCC § 9-08-06.

2. To the extent required by the NDFIL, arbitration proceedings shall take place at a location mutually agreed upon by you and us.

3. Any requirement that you consent to liquidated damages or termination penalties shall not apply to the extent prohibited by the NDFIL;

4. Any requirement that you consent to (i) the jurisdiction of courts outside of North Dakota, (ii) the application of laws of a state other than North Dakota, (iii) waiver of jury trial or (iv) waiver of exemplary and punitive damages shall not apply to the extent prohibited by the NDFIL;

5. Any release required as a condition to a renewal of the franchise agreement shall not apply to the extend prohibited by the NDFIL;

6. Any requirement that you consent to a limitation of claims shall not apply to the extent prohibited by the NDFIL. As applicable, the statute of limitations under North Dakota law shall control.

7. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney's fees.

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IN WITNESS WHEREOF, the parties hereto have duly executed this North Dakota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

JDOG CARPET FRANCHISING LLC

By:_____

Jerry Flanagan, CEO
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

RHODE ISLAND

ADDENDUM TO THE JDOG CARPET FRANCHISING LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the Franchise Disclosure Document of JDog Carpet Franchising LLC ("we," "us," or "our") for use in the State of Rhode Island shall be amended to include the following:

1. Items 17v. and 17w., under the provisions entitled "Choice of law" and "Choice of forum," shall be supplemented with the following language:

> However, you may sue us in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Item 17 shall be supplemented by the addition of the following language at the end of Item 17:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

AMENDMENT TO THE
JDOG CARPET FRANCHISING LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached JDog Carpet Franchising LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. To the extent of any inconsistencies, the Franchise Agreement is amended to state:

   Rhode Island franchisees are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have duly executed this Rhode Island Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

JDOG CARPET FRANCHISING LLC

By:_____

Jerry Flanagan, CEO
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

SOUTH DAKOTA

Item 5 of the Franchise Disclosure Document and Section 3 of the Franchise Agreement are amended to state the following:

For franchises established in the state of South Dakota, we will defer payment of the initial franchise fee and other initial payments owed by Franchisee to the Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement.

VIRGINIA

1. Item 5 of the Franchise Disclosure Document and Section 3 of the Franchise Agreement are amended to state the following:

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

2. Item 17(t) of the Franchise Agreement is modified to state:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.

3. Additional Disclosure: The following statements are added to Item 17.h.:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

The following provisions amend the Franchise Disclosure Document, Franchise Agreement, and Related Agreements:

The state of Washington has a statute, RCW 19.100.180 which 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 involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, 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.

Item 5 of the Franchise Disclosure Document, there are no uniform formulas or criteria for offering discounts on additional franchise purchases. This will be determined on a case-by-case basis by the franchisor.

Item 5 of the Franchise Disclosure Document and relevant provisions of the Franchise Agreement are revised such that, for franchises established in the state of Washington, the collection of initial franchise fees will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business.

IN WITNESS WHEREOF, the parties hereto have duly executed this Washington Amendment to the JDog Carpet Cleaning Franchise Disclosure Document, Franchise Agreement, and Related Agreements on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

JDOG CARPET FRANCHISING LLC

By:_____

Jerry Flanagan, CEO
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

STATE EFFECTIVE DATES

The following States require that a Franchise Disclosure Document be registered 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.

The Franchise Disclosure Document is registered, on file or exempt from registration in the following States having Franchise Registration and Disclosure Laws with the following effective dates:

State	Effective Date
California	
Connecticut (exemption)	August 6, 2019
Florida (exemption)	May 29, 2020
Hawaii	
Illinois	
Indiana	
Kentucky (exemption)	June 5, 2019
Maryland	
Michigan	
Minnesota	
Nebraska (exemption)	May 14, 2019
New York	
North Dakota	
Rhode Island	
South Dakota	
Texas (exemption)	May 14, 2019
Utah (exemption)	May 13, 2019
Virginia	
Washington	
Wisconsin	

EXHIBIT G: Franchised Outlets as of February 29, 2020

Location		Contact	Contact
Aston	PA	Lura Bitting	lbitting@jdog.com
Summerville	SC	Toby Catlett	tcatlett@jdog.com
Providence Forge	VA	Mustafa Browne	mbrowne@jdog.com
Franchise Agreements Signed but Outlet Not Opened as of February 29, 2020			
Castle Pines	CO	Daniel Corrado	dcorrado@jdog.com
Centennial	CO	Daniel Corrado	dcorrado@jdog.com
Dakota Ridge	CO	Daniel Corrado	dcorrado@jdog.com
Savannah	GA	Josh Polley	jpolley@jdog.com
Elgin	IL	Tommy Clevenger	tclevenger@jdog.com
Southern Chester County	PA	Lura Bitting	lbitting@jdog.com
East Charleston	SC	Toby Catlett	tcatlett@jdog.com
Hilton Head	SC	Toby Catlett	tcatlett@jdog.com
North Charleston	SC	Toby Catlett	tcatlett@jdog.com
Richmond Hill	SC	Josh Polley	jpolley@jdog.com
Little Elm	TX	Drake Edwards	dedwards@jdog.com
Plano	TX	Drake Edwards	dedwards@jdog.com
Plano East	TX	Drake Edwards	dedwards@jdog.com
St. George	UT	Jeff Warren	jwarren@jdog.com
Colonial Heights	VA	Mustafa Browne	mbrowne@jdog.com
Williamsburg	VA	Mustafa Browne	mbrowne@jdog.com

Listed below, is the name and last known telephone number and address of every franchisee who has had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or has not communicated with the franchisor within 10 weeks of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Location	Contact	Phone
None		

EXHIBIT H: FINANCIAL STATEMENTS

JDOG CARPET FRANCHISING, LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS

PERIOD FROM MARCH 19, 2019 (INCEPTION) THROUGH FEBRUARY 29, 2020

JDOG CARPET FRANCHISING, LLC
(A Limited Liability Company)
FOR THE PERIOD FROM MARCH 19, 2019 (INCEPTION)
THROUGH FEBRUARY 29, 2020

Table of Contents

	Page
Independent Auditor's Report	1 - 2
Financial Statements	
Balance sheet	3
Statement of operations and member's equity	4
Statement of cash flows	5
Notes to financial statements	6 - 10

CITRINCOOPERMAN®
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Member
JDog Carpet Franchising, LLC

We have audited the accompanying financial statements of JDog Carpet Franchising, LLC (a limited liability company), which comprise the balance sheet as of February 29, 2020, and the related statements of operations and member's equity and cash flows for the period from March 19, 2019 (inception) through February 29, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CITRINCOOPERMAN®
Accountants and Advisors

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JDog Carpet Franchising, LLC as of February 29, 2020, and the results of its operations and its cash flows for the period from March 19, 2019 (inception) through February 29, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the financial statements, subsequent to year end, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

New York, New York
June 29, 2020

JDOG CARPET FRANCHISING, LLC
(A Limited Liability Company)
BALANCE SHEET
FEBRUARY 29, 2020

ASSETS

Cash	$ 249,861
TOTAL ASSETS	$ 249,861

LIABILITIES AND MEMBER'S EQUITY

Liabilities:	
Accounts payable and accrued expenses	$ 107,655
Due to affiliate	26,518
Deferred franchise fees	79,300
Deferred right of first refusal fees	1,000
Total liabilities	214,473
Commitments and contingencies (Notes 4, 6 and 8)	
Member's equity	35,388
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 249,861

See accompanying notes to financial statements.

JDOG CARPET FRANCHISING, LLC
(A Limited Liability Company)
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY
FOR THE PERIOD FROM MARCH 19, 2019 (INCEPTION)
THROUGH FEBRUARY 29, 2020

Revenues:	
Royalties	$ 9,600
Franchise fees	86,000
Total revenues	95,600
Selling, general and administrative expenses	908,045
Net loss	(812,445)
Member contributions	925,000
Member distributions	(77,167)
MEMBER'S EQUITY - ENDING	$ 35,388

See accompanying notes to financial statements.

JDOG CARPET FRANCHISING, LLC
(A Limited Liability Company)
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM MARCH 19, 2019 (INCEPTION)
THROUGH FEBRUARY 29, 2020

Cash flows from operating activities:	
Net loss	$ (812,445)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Accounts payable and accrued expenses	107,655
Due to affiliate	26,518
Deferred franchise fees	79,300
Deferred right of first refusal fees	1,000
Net cash used in operating activities	(597,972)
Cash flows from financing activities:	
Member contributions	925,000
Member distributions	(77,167)
Net cash provided by financing activities	847,833
Net increase in cash	249,861
Cash - beginning	-
CASH - ENDING	$ 249,861

See accompanying notes to financial statements.

JDOG CARPET FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

JDog Carpet Franchising, LLC (the "Company"), a wholly-owned subsidiary of JDog Carpet Services, LLC (the "Parent"), was formed on March 19, 2019, as a Delaware limited liability company, to sell franchises pursuant to a non-exclusive license agreement dated March 28, 2019, between the Company and J Dog Holdings, LLC (the "Licensor"), an entity related to the Company by common ownership. Pursuant to the Company's standard franchise agreement, franchisees will operate businesses known as "JDog Carpet Cleaning" in the United States of America with its own unique system relating to the operation of residential and commercial carpet cleaning businesses.

The Company is a limited liability company, and therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue and cost recognition

Royalties are based on set contractual amounts and are recognized when billed. Initial franchise fees are deferred until substantially all of the Company's initial services required pursuant to the franchise agreement have been performed or satisfied. The Company records deferred revenue when cash is received from franchisees.

Right of first refusal fees are deferred pursuant to the development schedule and deferred until individual franchise agreements within their respective territory are signed and all of the Company's initial services required pursuant to each franchise agreement have been performed or satisfied. The Company records deferred right of first refusal fees when cash is received from franchisees.

All other fees are recorded as services are rendered.

The Company defers those direct and incremental costs associated with the sale of franchises for which revenue is deferred. Deferred costs are charged to earnings when the related deferred franchise fees are recognized in income.

Income taxes

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and therefore a disregarded entity for income tax purposes, the Company's assets, liabilities, and items of income, deduction and credit are combined with and included in the income tax returns of the Parent. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes (continued)

The Company recognizes and measures its unrecognized tax benefits in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

The Parent files income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

Advertising

Advertising costs are expensed as incurred and amounted to $204,066 for the period from March 19, 2019 (inception) through February 29, 2020.

Franchised outlets

The following data reflects the status of the Company's franchised outlets as of February 29, 2020:

Franchises sold	19
Franchises purchased	-
Franchised outlets in operation	3
Franchisor-owned outlets in operation	-

Recently issued but not yet effective accounting pronouncements

In May 2014, FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended (commonly referred to as "ASC 606"), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASC 606 replaces most existing revenue recognition standards in U.S. GAAP, including industry-specific standards, when it becomes effective. For annual reporting periods, this standard was effective for the Company on January 1, 2019, and for interim periods within annual periods that begin one year later. In June 2020, FASB issued ASU No. 2020-05, *Revenues from Contracts with Customers* (Topic 606) *and Leases* (Topic 842), which provide an optional election to defer the adoption of ASC 606 for entities that have not yet issued their financial statements or made financial statements available for issuance as of June 3, 2020. Those entities may elect to adopt ASC 606 for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. This standard permits the use of either the retrospective or cumulative-effect transition method. The Company elected to defer the adoption of ASC 606 and is currently completing its initial assessment and evaluation of the impact that ASC 606 will have on the Company's financial statements and related disclosures. The Company expects, at a minimum, that the adoption of ASC 606 will expand disclosures to enable users to better understand the nature, amount, timing, and uncertainty, if any, of revenues and cash flows arising from contracts with customers

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent events

The Company has evaluated subsequent events through June 29, 2020, the date on which the financial statements were available to be issued. Except as disclosed in Note 8, there were no material subsequent events that required recognition or additional disclosure in the financial statements.

NOTE 3. CONCENTRATION OF CREDIT RISK

Cash

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash. The Company's cash is placed with a major financial institution. At times, amounts held with this financial institution may exceed federally-insured limits.

NOTE 4. COMMITMENTS AND CONTINGENCIES

Employment agreement

On April 1, 2019, the Company entered into an executive employment agreement with its president, which entitles the president to guaranteed payments, bonuses and fringe benefits. On January 20, 2020, the president's employment was terminated in which a severance payment of $50,000 is to be paid within 14 days following the effective date of the separation and mutual release agreement dated May 6, 2020. This severance payment has been accrued for and is included in "Accrued expenses and other liabilities" on the accompanying balance sheet.

NOTE 5. MARKETING FUND

National advertising and marketing fund

The Company reserves the right to establish a national advertising and marketing fund for the Company. Franchisees would be required to contribute up to $300 per month to be placed into the marketing fund in accordance with the signed franchise agreement. Marketing funds collected are to be expended for the benefit of the franchisees and for administrative costs to administer the funds, all at the discretion of the Company. As of February 29, 2020, the Company has not yet established a national advertising and marketing fund.

Local advertising cooperative

The Company reserves the right to designate any geographical area in which two or more JDog Carpet Cleaning businesses are operating for purposes of establishing a local advertising cooperative ("Cooperative"). If a Cooperative is established, franchisees must contribute the greater of $500 or 2% of gross sales per month. This contribution will count towards the local advertising amount required to be spent by the franchisee. As of February 29, 2020, the Company has not yet established a Cooperative.

NOTE 6. RELATED-PARTY TRANSACTIONS

License agreement

On March 28, 2019, the Company entered into a 15-year non-exclusive license agreement with the Licensor for the use of the registered name "JDog Carpet Cleaning" (the "license agreement"), which is automatically renewable for additional terms of five years after the initial 15-year term unless the parties mutually agree otherwise. Pursuant to the license agreement, the Company acquired the right to sell and operate JDog

NOTE 6. RELATED-PARTY TRANSACTIONS (CONTINUED)

License agreement (continued)

Carpet Cleaning franchises in the United States of America, and collect franchise fees, royalties and other fees from franchisees. The Company is obligated to pay the Licensor a license fee based on the number of active franchisees then existing on the last day of each calendar month as further defined in the license agreement**.** The Licensor will not license the trademarks and/or confidential information to any third parties for the purpose of operating a competing franchised system and will not use the trademarks for any other business activity without the written approval of the Company. License fees totaled $1,200 for the period from March 19, 2019 (inception) through February 29, 2020.

Due to affiliate

In the ordinary course of business, the Company periodically receives funds from an affiliated entity related through common control. Advances from affiliates are non-interest bearing and have no specific date for repayment. Such amounts are expected to be satisfied within 12 months of the balance sheet date and, accordingly, have been classified as current liabilities. At February 29, 2020, the balance due to an affiliate amounted to $26,518.

Management services agreement

On March 28, 2019, the Company entered into a service agreement with an entity affiliated with the Company by common control. The affiliate will provide administrative support services on behalf of the Company. Pursuant to the service agreement, the Company has agreed to pay the affiliate $20,000 per month, with payments commencing in April 2019. Management fee expense totaled $220,000 for the period from March 19, 2019 (inception) through February 29, 2020.

NOTE 7. DEFERRED FEES

Franchise fees

Franchise fees received and unearned are reported as "Deferred franchise fees" in the accompanying balance sheet and amounted to $79,300 at February 29, 2020. There were no related direct and incremental costs related to franchise fees for the period from March 19, 2019 (inception) through February 29, 2020.

Right of first refusal fees

Right of first refusal fees received and unearned are reported as "Deferred right of first refusal fees" in the accompanying balance sheet and amounted to $1,000 at February 29, 2020.

NOTE 8. SUBSEQUENT EVENTS

Coronavirus pandemic

In March 2020, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern." Disruptions to business operations could occur as a result from quarantines of employees and the affiliated entities that may have been materially and adversely affected by the outbreak. Given the uncertainty of the situation, the duration of the business disruption and related financial impact cannot be reasonably estimated at this time.

NOTE 8. SUBSEQUENT EVENTS (CONTINUED)

Paycheck Protection Program

On April 30, 2020, the Company received loan proceeds of $15,600 under the Paycheck Protection Program (the "PPP"). The PPP, which was established as part of the Coronavirus Aid, Relief and Economic Security Act, provides loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expense for the qualifying business. The loan and accrued interest, or a portion thereof, may be forgiven after 24 weeks so long as the borrower uses the loan proceeds for eligible expenses including payroll, benefits, rent, mortgage interest and utilities, and maintains its payroll levels. At least 60% of the loan proceeds must be spent on payroll costs, as defined by the PPP for the loan to be eligible for forgiveness. The amount of loan forgiveness will be reduced by any amounts received by the Company as an advance as part of the Economic Injury Disaster Program, made available through the Small Business Administration, that is ultimately converted to a grant.

The PPP loan matures two years from the date of the first disbursement of proceeds to the Company (the "PPP Loan Date") and accrues interest at a fixed rate of 1%. Payments are deferred for at least the first six months and payable in eighteen (18) equal consecutive monthly installments of principal and interest commencing upon expiration of the deferral of the PPP Loan Date.

The Company currently intends to use the proceeds for purposes consistent with the PPP, however, there can be no assurances that the Company will ultimately meet the conditions for forgiveness of the loan or that it will not take actions that could cause it to be ineligible for forgiveness of the loan, in whole or in part.

EXHIBIT I: GENERAL RELEASE FORM

The following is our current general release language that we expect to include in a release that a franchisee and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify the release.

GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this ____ day of_____ , 20____

by _____, ("RELEASOR") a(n) _____

with an address at: _____ ,

in consideration of:

_____ the execution by JDog Carpet Franchising, LLC ("RELEASEE") of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "Franchise Agreement") between RELEASOR and RELEASEE; or

_____ RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement; or

and other good and valuable consideration, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE'S officers, directors, shareholders and employees (in their corporate and individual capacities), and RELEASEE'S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, known or unknown, in law or in equity, that RELEASOR and RELEASOR'S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR:

_____

(type/print name of entity, if any)

By:_____

Name: _____

Title:_____

INDIVIDUALLY:

By: _____

Name: _____

EXHIBIT J: RFR Agreement
(Optional)
RIGHT OF FIRST REFUSAL AGREEMENT

THIS AGREEMENT is made this _____ between **JDOG CARPET FRANCHISING, LLC**, a Delaware limited liability company (the "Franchisor"), and _____ (the "Franchisee").

WHEREAS, Franchisor and Franchisee executed a JDog Carpet Cleaning Franchise Agreement of even date (the "Franchise Agreement") wherein Franchisee agreed to own and operate a JDog Carpet Cleaning business with a territory known as _____ (Franchisee's "Existing Territory"); and

WHEREAS, the parties desire that Franchisee should have a right of first refusal to enter into an additional JDog Carpet Cleaning Franchise Agreements for a territory adjacent to Franchisee's Existing Territory.

NOW, THEREFORE, in consideration of the covenants herein and for other consideration, the receipt of sufficiency of which is acknowledged, the parties hereto, intending to be legally bound, do agree as follows:

1. **Right of First Refusal.** For and in consideration for the sum of $5,000, the receipt and sufficiency of which is acknowledged by Franchisor, Franchisor agrees to provide the following first refusal rights to Franchisee. Provided the Franchise Agreement remains in full force and effect and Franchisee has performed all duties under the Franchise Agreement and Franchisor has sent no notice of default to Franchisee that remains uncured, Franchisee shall have, for a period of thirty-six (36) months from the date of this Agreement, a right of first refusal ("RFR") to enter into a new JDog Carpet Cleaning Franchise Agreements with Franchisor, for the territory defined below by zip code (the "RFR Territory").

1.1 RFR Territory - _____

Zip Codes

1.2 Franchisor shall give Franchisee written notice ("Notice") before entering into a JDog Carpet Cleaning Franchise Agreement with any third party for the operation of a JDog Carpet Cleaning ("Third-Party FA") in the RFR Territory. Upon receipt of the Notice, Franchisee, shall have seven (7) days to provide notice to Franchisor ("Return Notice") of its intent to execute a franchise agreement with respect to the RFR Territory. Upon providing timely Return Notice, Franchisee, shall have thirty (30) days to execute the franchise agreement and pay the Initial Franchise Fee. If Franchisee fails to provide Return Notice within seven (7) days of receipt of Notice, or fails to execute the said franchise agreement and pay the Initial

Franchise Fee within thirty (30) days of providing Return Notice, Franchisee's RFR for the RFR Territory shall be deemed declined, and Franchisor may then enter into a Third-Party FA with respect to the RFR Territory.

1.3 For a period of twenty-four (24) months from the date of this Agreement (the "Rebate Period"), Franchisee shall be eligible to earn a rebate against its Franchise Fees under the Franchise Agreement in the amount of $5,000. The rebate shall be earned when/if Franchisee executes a franchise agreement for the RFR Territory within the Rebate Period. A franchise agreement executed after expiration of the Rebate Period shall not be eligible for rebate issuance.

1.4 Notwithstanding anything to the contrary above, **s**hould Franchisee fail to exercise its RFR after receiving Notice with respect to the RFR Territory, Franchisee's RFR with respect to the RFR Territory shall terminate.

2. **Additional Concurrent RFR(s)**. The following shall apply to additional RFR Agreements executed concurrently with this Agreement ("Additional Concurrent RFR(s)").

2.1 The fee for Additional Concurrent RFR(s) shall be discounted to $1,000.

2.2 Each respective RFR Agreement shall apply to a distinct territory, which shall be defined at the time of execution; however, its tier shall be designated upon execution of a franchise agreement with respect to such territory.

2.3 Upon exercise of any RFR Agreement the rights pursuant to any remaining contiguous RFR Agreements shall reset to thirty-six (36) months.

3. **Miscellaneous**. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall not be amended except by the written agreement of the parties. All terms defined in the Agreement shall have the same meaning in this Agreement. Facsimile and scanned signatures are binding as if originals.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum effective as of the date first above written.

FRANCHISEE:	FRANCHISOR: **JDog Carpet Franchising, LLC**
_____	_____ Jerry Flanagan, CEO

EXHIBIT K: RECEIPT (Franchisor Copy)

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

If JDog Carpet Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If JDog Carpet Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission in Washington, D.C. and the Pennsylvania Department of State.

Franchise seller(s) offering the franchise: JDog Carpet Franchising, LLC, Berwyn, PA, (844) 438-5364. Please identify any individual franchise seller who offered you a JDog Carpet Cleaning franchise

☐ Jerry Flanagan
JDog Carpet
Franchising, LLC
(844) 438-5364

☐ Terry Corkery
JDog Carpet Franchising,
LLC
(844) 438-5364

☐ _____
Name of Franchise Seller

_____
Address

_____
Phone

JDog Carpet Franchising, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

This disclosure document was issued June 30, 2020.

I received a disclosure document dated _____, which included the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement
C. Manual Table of Contents
D. EFT (Electronic Funds Transfer Agreement)
E. Representations and Acknowledgment Statement
F. State Specific Addenda
G. Outlets
H. Financial Statements
I. General Release Form
J. Receipts

_____ _____
Print Name Residence (City, ST)

_____ _____ _____
Signature Date Date Received
(If different than date signed)

EXHIBIT K: RECEIPT (Franchisee Copy)

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

If JDog Carpet Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If JDog Carpet Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission in Washington, D.C. and the Pennsylvania Department of State.

Franchise seller(s) offering the franchise: JDog Carpet Franchising, LLC, Berwyn, PA, (844) 438-5364. Please identify any individual franchise seller who offered you a JDog Carpet Cleaning franchise:

☐ Jerry Flanagan
JDog Carpet
Franchising, LLC
(844) 438-5364

☐ Terry Corkery
JDog Carpet Franchising,
LLC
(844) 438-5364

☐ _____
Name of Franchise Seller

_____
Address

_____
Phone

JDog Carpet Franchising, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

This disclosure document was issued June 30, 2020.

I received a disclosure document dated _____, which included the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement
C. Manual Table of Contents
D. EFT (Electronic Funds Transfer Agreement)
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F. State Specific Addenda
G. Outlets
H. Financial Statements
I. General Release Form
J. Receipts

_____ _____
Print Name Residence (City, ST)

_____ _____ _____
Signature Date Date Received
(If different than date signed)