FRANCHISE DISCLOSURE DOCUMENT

No-H2O Franchising, Inc.
A Florida Corporation
501 East Las Olas Blvd
2nd and 3rd Floor
Fort Lauderdale, FL 33301
954-505-9335 / franchise@noh2o.com
www.NoH2o.com

The franchised business is to operate car wash and detailing services under the trade name "No-H2O". The franchised business will incorporate both a fixed or static location which is often operated from a parking structure or lot and an on-demand services business where you provide onsite car wash and detailing services for your clients.

The total investment necessary to begin operation of a No-H2O franchise is $76,600 to $109,500. This includes $62,600 to $81,000 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 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

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

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

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

Issuance date: 04/29/2020

STATE COVER SHEETS

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.
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 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 No-H2O 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 an No-H2O franchisee?	Item 20 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 B.

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 California. 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 California than in your own state.

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.

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EXHIBITS

A. State Addenda to Disclosure Document
B. State Administrators and Agents for Service of Process
C. Franchise Agreement (with Guaranty, Non-Compete Agreement and State Addenda)
Receipt (2 copies)

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

In this disclosure document, "we", "us," or "our" refers to No-H2O Franchising, Inc.. "You" means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement's provisions also will apply to your owners.

Us, Any Parents, and Affiliates.

Our name is No-H2O Franchising, Inc. We are a Florida Corporation. We were formed on 2/07/2018. Our principal business address is 501 East Las Olas Blvd, 2nd and 3rd Floor, Fort Lauderdale, FL 33301. Our Parent Entity, No-H2o USA Inc was incorporated formed on 5/19/2020 and is located at 501 East Las Olas Blvd, 2nd and 3rd Floor, Fort Lauderdale, FL 33301. No-H2O Limited is the parent of No-H2o USA and was incorporated in 2007. No-H2O Limited is located at 9 Clifton Terrace, Dun Laoghaire, Dublin, Ireland 219210. We have offered franchises in the U.S. since 3/2018. Neither we nor any of our affiliates have offered franchises in other lines of business. We provide products or services to our franchisees. We do not have any other business activities.

Our Predecessors

We do not have any predecessors.

Our Business Name

We use the names "No-H2O Franchising, Inc." and "No-H2O". We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agent for service of process in Florida is Mr. Emmet O'Brien, and the agent's principal business address is 501 East Las Olas Blvd, 2nd and 3rd Floor, Fort Lauderdale, FL 33301. Our agents for service of process in other states are disclosed in Exhibit A.

Information About the Franchise Offered

We do not operate businesses of the type being franchised.

If you sign a franchise agreement with us, you will develop and operate a carwash and detailing services business under the trade name No-H2O. The service is waterless allowing a car to be cleaned anywhere and at any time through our unique On Demand App, services may be offered in residential, businesses or even street side, wherever the customer requests it. Also No-

H2O can be offered within our static car cleaning locations based in parking lots or multi deck parking decks based within shopping malls or airports for example.

The general market for carwash & detailing services consists of car owners who are middle to upper income ranges and spend on their vehicles. This market is very competitive for traditional car wash and detailing services, but from traditional, fixed location service operations. Our model, which is offered through a small location operated in high traffic non-traditional locations such as airports and parking garages and an on-demand model where the detailing and car wash services are brought to the customer onsite, is relatively undeveloped and new. Our customers are primarily car owners between the ages of 25-65 who are middle to upper income demographics. Sales are not seasonal.

You will compete against national chains, regional chains, and independent owners. Some of these competitors are franchised. We are not aware of any laws or regulations specific to our industry.

You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you. You should consult with a legal advisor about legal requirements that may apply to your business.

Item 2
BUSINESS EXPERIENCE

Emmet O'Brien: President, NoH2O Franchising, Inc. (2/2018 – Present), Fort Lauderdale, FL. Mr. O'Brien has been CEO of No-H2O limited, Inc. since 8/2007 in Dublin, Ireland and Director of Expert Prof Apps Limited since 10/2011 in Dublin, Ireland. He has been Director of No-H20 Franchising, Ltd in Dublin, Ireland since 1/2014. He has been Secretary of IDrink Distribution, Ltd in Dublin Ireland since 8/2013. From 10/2015 to 3/2017, he was Director of Medeval Limited in Dublin, Ireland.

Item 3
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

Franchise Fee

When you sign your franchise agreement, you pay us $105,000 as the initial franchise fee. This fee is uniform.

Training Fee

When you sign your franchise agreement, you pay us $15,000 as the initial training fee. This fee is uniform. You will not incur additional costs for travel as the training will take place at your location.

If (1) you fail to complete the initial training program to our satisfaction, or (2) we conclude, no more than 10 days after you complete the initial training program, that you do not have the ability to satisfactorily operate your franchise, then we have the right to terminate your franchise agreement. If we do so, we will refund your franchise fee less any out-of-pocket costs we have incurred, subject to your signing a general release of our liability. Otherwise, the franchise fee is not refundable.

Other Fees

Before you open your business, you must purchase initial inventory, Furniture, Fixtures and Equipment for the Static Locations you open, insurance and signage to be used in operating the franchised business. Each of these investments will be paid to us.

The total investment for initial inventory is $5,000 to $10,000. Inventory amounts will vary depending on the size of your market and amount of inventory you choose to have on hand.

The total investment for Furniture Fixtures and Equipment is $20,000 to $30,000.

The total investment for Insurance is $300 to $1,500.

The total investment for signage is $300 to $500.

The total investment for your marketing will be $12,000 to $14,000 paid at over the first 3-6 months in business.

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	10% of your gross sales generated through the On-Demand services side of the business. 8% of your gross sales generated through the Static Location side of the franchised business.	Monthly, on the 5th day of the following month	We will be collecting the revenues through our online merchant services portal whether the revenues are generated through the On-Demand services business or the Static Location. We will remit payment to you on the 5th of the month after the royalties owed have been deducted from the total. You will be required to report on cash sales generated during the month at the Static Locations on the 1st of each month. Royalties will be calculated and then added to the total amount due and subtracted from the total paid to you on the 5th. See Note 1
Marketing Fund Contribution	2% of your gross sales	Monthly, on the 5th day of the following month	
On Demand Fees	$.25/Transaction or Booking on On-Demand Platform 1.7% of Gross Sales generated through the On-Demand Platform	Monthly, on the 5th day of the following month	See Note 2
Market Cooperative Contribution	As determined by co-op. Currently, none.	Monthly, on the 5th day of the following month	We have the right to establish local or regional advertising cooperatives.

Type of Fee	Amount	Due Date	Remarks
Technology Fee	Year 1: $1,000 per month Year 2: $2,000 per month Year 3: $3,000 per month Year 4: $4,000 per month Year 5: $5,000 per month	Monthly, payable on the 5th of each month.	The Technology Fee will initiate the first month the franchised business is open. This fee is capped at $5,000 per month so this fee will not increase when you renew your franchise agreement.
Replacement / Additional Training fee	Currently, $15,000 per day	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.
Third party vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together a reasonable markup or charge for administering the payment program.
Non-compliance fee	10% of Previous Monthly Gross Revenues.	On demand	We may charge you 10% of your previous month's Gross Revenues if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you 10% of your Previous Month's Gross Sales until you correct such non-compliance.

Type of Fee	Amount	Due Date	Remarks
Late fee	$100 plus interest on the unpaid amount at a rate equal to 15% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Special support fee	Our then-current fee, plus our expenses. Currently, $600 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Customer complaint resolution	Our expenses		We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any month.
Renewal fee	$25,000	When Franchise Agreement is renewed	Payable if you enter into a successor franchise agreement at the end of your agreement term.

Type of Fee	Amount	Due Date	Remarks
Transfer fee	$15,000	When transfer occurs	Payable if you sell your business.

All fees are payable only to us (other than software subscription charges). All fees are imposed by us and collected by us (other than software subscription charges). All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate.

There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. "Gross Sales" is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

2. "On-Demand" is the service side of the franchised business that is booked by the client through the online or App-based platform.

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
Initial franchise fee	$25,000 - $25,000	Check or wire transfer	Upon signing the franchise agreement	Us
Rent (see Note 2)	$1,000 - $6,000	Check, debit, and/or credit	As incurred or when billed	Landlord.
Marketing Expenses (see Note 3)	$12,000 - $14,000	Check, debit, and/or credit	As incurred or when billed	Us.
Furniture, Fixtures, and Equipment (see Note 4)	$10,000 - $20,000	Check, debit, and/or credit	As incurred	Us.

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Insurance	$300 - $1,500	Check	Upon ordering	Vendor.
Office Equipment and Supply	$500 - $1,000	Check, debit, and/or credit	As incurred	Vendors
Signage	$4,000 - $6,000	Check, debit, and/or credit	As incurred	Us.
Opening Inventory & Supplies	$10,000 - $20,000	Check, debit, and/or credit	Upon ordering	Us.
Dues and Subscriptions	$300 - $500	Check, debit, and/or credit	As incurred	Associations and Networking Groups
Travel, lodging and meals for initial training	$1,000 - $2,500	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Licenses and Permits	$200 - $500	Check, debit, and/or credit	Before the Business Opens	Licensing agency, permitting agency
Professional Fees	$1,000 - $3,000	Check, debit, and/or credit	Before the Business Opens and as incurred	Attorney, CPA or other professionals.
Additional funds (for first 3 months) (see Note 5)	$10,000 - $15,000	Varies	Varies	Employees, suppliers
Total	$76,600 - $109,500			

Notes

1. The initial franchise fee is refundable only as described in Item 5. Neither we nor any affiliate finances any part of your initial investment.

2. The rent estimate is based on what it might cost to lease a static space in a parking garage where you might conduct the business on a regular basis. We also have incorporated a low rent to pay for a small office space where the on-demand service will be operated from.

3. You will be required to pay us $240,000 over the course of the first five years of business which will be then spent on marketing and promoting the franchised business services in your market. We will match your investment in marketing and also invest $240,000 in your market to promote and develop the business during that time.

4. You will be required to open one static location at the same time you open the On-demand service business. This investment in equipment will be used at the static location.

Over the first five years of operating the franchised business, you will be required to open the following amount of new Static Locations by the end of the year from the date you sign the franchise agreement:

Year 1 - 1
Year 2 – 2
Year 3 – 3
Year 4 – 4
Year 5 – 5 Units open

5. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, and other operating expenses in excess of income generated by the business. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a No-H2O business by our affiliate, and our general knowledge of the industry.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us, (2) from from suppliers approved by us, or (3) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Insurance. We will obtain the following insurance coverage for your business which you will pay us for through the monthly required insurance payments:

(i) Garage Liability insurance and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $2,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000; and

(iii) Workers Compensation coverage as required by state law or a minimum coverage of $1,000,000 each accident.

B. Computer software and hardware. You must purchase and use the computer software and hardware that we specify. See Item 11 for more details.

C. Supplies, Inventory, Equipment and Marketing. You must purchase and use the inventory and supplies you will use for operating the franchised business from us.

Us or our Affiliates as Supplier

We are a supplier of goods that you must purchase. You must purchase the supplies and inventory you will use in providing the car wash and detailing services from us.

Ownership of Suppliers

We do not own an interest in any of our approved suppliers.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Revenue To Us and Our Affiliates

We will derive revenue from the required purchases and leases by franchisees. Because we are a new franchisor, our total revenue in the prior fiscal year was $449,293.29. Our revenue from all required purchases and leases of products and services by franchisees in the prior fiscal year was $147,777. The percentage of our total revenues that were from required purchases or leases in the prior fiscal year was 33%.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 90% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 90% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, the franchise agreement does not prohibit us from doing so.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we may do so in the future.

Benefits Provided To You For Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	§ 6.1	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.4, 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.5, 7.8, 10.5, 11.2, 11.3, 14.5, 15.2, 16.1, 17.6	Items 5, 6 and 7

Obligation	Section in agreement	Disclosure document item
g. Compliance with standards and policies/operating manual	§§ 6.3, 7.1, 7.3, 7.5, 7.9 – 7.13, 7.15, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16
j. Warranty and customer service requirements	§§ 7.3, 7.8, 7.9	Item 8
k. Territorial development and sales quotas	N/A	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 7.12, 7.13	Items 6, 7 and 8
n. Insurance	§ 7.15	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4	Items 15
r. Records and reports	Article 10	Item 11
s. Inspections and audits	§§ 10.5, 11.2	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17
u. Renewal	§ 3.2	Item 17
v. Post-termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17

Item 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligations.

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

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

Our Pre-Opening Obligations

Before you open your business:

A. *Your site.* We do assist you in (i) locating your site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises.

B. *Hiring and training employees*. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), operational instructions in the Manual which you can use as part of training new employees (Section 5.3), and our initial training program described below. All hiring decisions and conditions of employment are your sole responsibility.

C. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Section 5.4) We do in some cases provide these items directly; We may deliver or install these items depending on your market.

D. *Operating Manual*. We will give you access to our Operating Manual (Section 5.1).

E. *Initial Training Program.* We will conduct our initial training program. (Section 5.4). The current initial training program is described below.

F. *Market introduction plan*. We will advise you regarding the planning and execution of your market introduction plan. (Section 5.4).

G. *On-site opening support.* We will have a representative provide on-site support for at least 1-3 days in connection with your business opening. (Section 5.4).

Length of Time To Open

The typical length of time between signing the franchise agreement and the opening of your business is 4-8 weeks. Factors that may affect the time period include your ability to obtain financing, obtain business permits and licenses, schedule initial training, and hire employees.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers*. Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Hiring and training employees*. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), and operational instructions in the Manual which you can use as part of training new employees (Section 5.3). All hiring decisions and conditions of employment are your sole responsibility.

C. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently $600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5).

D. *Establishing prices*. Upon your request, we will provide recommended prices for products and services. (Section 5.5). We have the right to determine prices charged by our franchisees for goods and services (but only to the extent permitted by applicable law).

E. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control. (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our system.

F. *Marketing Fund*. We will administer the Marketing Fund. (Section 5.5).

G. *Website*. We will maintain a website for the No-H2O brand, which will include your business information and telephone number. (Section 5.5)

H. *Application and Technology Support.* We will oversee the administrative and support functions needed to use and implement the technology used in operating the franchised business.

Advertising

(i) *Our obligation*. We will use the Marketing Fund only for marketing and related purposes and costs. Media coverage is primarily local. We use outside vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which will be paid for by the Marketing Fund). We have no other obligation to conduct advertising.

(ii) *Your own advertising material*. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

(iii) *Advertising council*. We do not have an advertising council composed of franchisees. The franchise agreement does not give us the power to form an advertising council.

(iv) *Local or Regional Advertising Cooperatives.* We do not currently have any local or regional advertising cooperatives. We have the right to require you to participate in a local or regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. Each franchisee in the area would have one vote per outlet (unless the franchisee is in default under its franchise agreement). The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% of gross sales. If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. If our outlets have controlling voting power, there is no maximum on fees that could be imposed. We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not currently available for you to review. Cooperatives will prepare annual financial statements which will be made available for review only by us and by the members of cooperative. We have the power to require cooperatives to be formed, changed, dissolved, or merged.

(v) *Advertising Fund*. You and all other franchisees must contribute to our Marketing Fund. Your contribution is 2% of gross sales per week but it will not be connected until year 3. All franchisees contribute the same percentage. Outlets that we own are not obligated to contribute to the Marketing Fund. We administer the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon request.

We did not collect any money for the Marketing Fund in our most recently concluded fiscal year. When we do, this fund will be used to develop our brand on a national level. If not all marketing funds are spent in the fiscal year in which they accrue, the money will remain in the Marketing Fund to be spent in the next year. No money from the Marketing Fund is spent principally to solicit new franchise sales.

(vi) *Market introduction plan.* After you open, you must spend $12,000 to $14,000 on marketing your business for the first 3-6 months you are in business. We will match your investment with $12,000 to $14,000 for the first 3-6 months. This investment will be invested entirely in your local market.

Computer Systems

We require you to purchase computer systems and software as follows:

Smart Phone

Desktop Computer – 2 Screens

Laptop Computer

QuickBooks

Microsoft Office

No H2O Custom Application and Admin Backend Panel

Our On Demand software is a smartphone app to provide a booking channel for customers to book jobs with the franchisee. These systems will provide management, operations and management systems to operate the franchised business. The app and booking systems captures car data, customer data, payment data, timing data, booking and financial date at HQ level – this is not stored on the local POS device (i.e. the mobile phone) No-H2O HQ will own this data.

We estimate that these systems will cost between $3,000 and $5,000 to purchase.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates for the majority of your computer systems, but we will be providing unlimited updates and changes to the custom application at no cost to you. We do not require you enter into any such contract with a third party. You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be $0. You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Operating Manual

Manual Section	**Number of Pages**
Preface & Introduction	14
Establishing a No-H2O Business	37
No-H2O Personnel	55
Administrative Procedures	23
Daily Procedures	30
Marketing the No-H2O Brand	26
Total Number of Pages	**185**

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Business Training	6	0	Onsite
App Training	4	8	Onsite
Wash Training	6	12	Onsite
Detailing	6	12	Onsite
Marketing	4	0	Onsite
Strategy	4	0	Onsite
Recruitment	6	0	Onsite
TOTALS:	36 Hours	32 Hours	

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes once a month. Training will be held at your location.

The instructional materials consist of the Operating Manual and other materials, lectures, discussions, and on-the-job demonstration and practice, and media materials such as training instructional videos.

Training classes will be led by Mr. Emmet Obrien, Paul Boylan and Jason Mayberry. Mr. Obrien experience is described in Item 2. He has 13 years of experience in our industry, and 13 years of experience with our brand. Paul Boylan has 4 years of experience in our industry and 5 years of experience with our brand. Jason Mayberry has 1 year of experience in our industry and 1 year of experience with our brand. Training classes will be led by a number of experienced instructors and leading management of the company to provide training on the different aspects of the company.

There is no fee for up to 4 people to attend training. You must pay the travel and living expenses of people attending training. Ongoing training will be charged for if new staff require training.

You must attend training. If the franchise is owned by an entity, then the principal owner must attend training and a general manager if one is being appointed plus 2 carwash wash & detailing operatives. You may send any additional persons to training that you want (up to the maximum described above). You must complete training to our satisfaction at least two weeks before opening your business.

We do not currently require additional training programs or refresher courses, but we have the right to do so.

Item 12
TERRITORY

Your Location

We anticipate that you will manage from your home or from a small office setting. Your primary office must be located in your territory.

Grant of Territory

The No-H2O system will grant an exclusive territory defined by a population ranging from 750,000 to 1.5 million people. This Territory will be geographic, state or county lines that actually document the areas that will constitute your territory.

Relocation; Establishment of Additional Outlets

You may relocate your business headquarters anywhere in your territory.

You do not have the right to establish additional franchised outlets or expand into additional territory. If you desire to do so, you must (1) meet our then-current criteria for new franchisees, (2) be in compliance with your franchise agreement at all times since opening your business, (3) have demonstrated your capability to operate a multi-territory franchise successfully, and (4) obtain our agreement.

Options to Acquire Additional Franchises

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

Exclusivity

We grant you an exclusive territory. In your territory, we will not establish a No-H2O outlet, nor license or franchise another party to establish a No-H2O outlet. Continuation of your territorial exclusivity does not depend on any contingency. There are no circumstances that permit us to modify your territorial rights.

Restrictions On Us From Soliciting or Accepting Orders In Your Territory

Except as described in this paragraph, we will not serve customers in your territory, nor authorize another party to serve customers in your territory, under our No-H2O brand. However, we may serve (or authorize other franchisees to serve) customers in your territory if you are in default, or if you are incapable of meeting customer demand in your territory. We may also serve (or authorize another franchisee to serve) a particular customer in your territory if you fail to properly serve such customer, or if we reasonably believe that you will not properly serve such customer. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory (i) using our principal trademarks, but only for sales of products or services different from the ones you will offer, and (ii) using trademarks different from the ones you will use. In the circumstances

where the franchise agreement does not prohibit us from soliciting or accepting orders from inside your territory, we do not pay any compensation to you.

Soliciting By You Outside Your Territory

You cannot solicit or market to potential customers outside of your territory, except for solicitations or marketing which are primarily targeted inside the territory and which incidentally reach potential customers outside of the territory. You cannot serve customers outside of your territory without our prior written permission. We may withdraw permission at any time.

Competition By Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

Item 13
TRADEMARKS

Principal Trademark

The following is the principal trademark that we license to you. This trademark is owned by our Affiliate, No-H2O Limited Corporation. We have filed all necessary affidavits for the principal trademark.

Trademark	Registration Date	Registration Number	Renewal Date
	02/04/2020	5978640	02/04/2026

Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Agreements

No H2O Holdings Limited, our affiliate, owns the trademarks described in this Item. Under an Intercompany License Agreement between us and No H2O Holdings Limited, we have been granted the exclusive right to sublicense the trademarks to franchisees throughout the United States. The agreement is of perpetual duration. It may be modified only by mutual consent of the parties. It may be canceled by our affiliate only if (1) we materially misuse the trademarks and fail to correct the misuse, or (2) we discontinue commercial use of the trademarks for a continuous period of more than one year.

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense.

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Operating Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Operating Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Operating Manual and other proprietary information, and use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements.

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

Your Participation

You are required to participate personally in the direct operation of your business.

If you are the sole owner of the business, then you are deemed the "Principal Executive". If the business is owned through a corporation or limited liability company, you must designate one person as your "Principal Executive". The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 2 to Exhibit B).

"On-Premises" Supervision

When your business performs services for a customer, you are not required to personally conduct "on-premises" supervision of your business. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity.

Restrictions On Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you place any other restrictions on your manager.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes.

We do not restrict your access to customers, except that all sales must be made to customers in your territory.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§ 3.1	5 years from date of franchise agreement.
b. Renewal or extension of the term	§ 3.2	You may obtain a successor franchise agreement for 5 year terms.
c. Requirements for franchisee to renew or extend	§ 3.2	For our franchise system, "renewal" means that at the end of your term, you sign our successor franchise agreement for an additional 5 year term. You may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by franchisee	§ 14.1	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	§ 14.2	We may terminate your franchise agreement for cause, subject to any applicable notice and cure opportunity.
g. "Cause" defined--curable defaults	§ 14.2	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).

Provision	Section in franchise or other agreement	Summary
h. "Cause" defined--non-curable defaults	§ 14.2	Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our audit or evaluation; cease operations for more than 5 consecutive days; three defaults in 12 months; cross-termination; charge or conviction of a felony, or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured.
i. Franchisee's obligations on termination/non-renewal	§§ 14.3 – 14.6	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	§ 15.1	Unlimited
k. "Transfer" by franchisee - defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) direct or indirect ownership interest of more than 25% of the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	§ 15.2	No transfers without our approval.

Provision	Section in franchise or other agreement	Summary
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer signs our then-current franchise agreement; you've made all payments to us and are in compliance with the franchise agreement; buyer completes training program; you sign a general release; business complies with then-current system specifications.
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	If you want to transfer your business (other than to your spouse, sibling, or child), we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	§§ 2.4, 15.4	If you die or become incapacitated, a new principal operator acceptable to us must be designated to operate the business, and your executor must transfer the business to a third party within nine months.
q. Non-competition covenants during the term of the franchise	§ 13.2	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, or be engaged or employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	§ 13.2	For two years, no ownership or employment by a competitor operating in your former territory or the territory of any other No-H2O business operating on the date of termination.
s. Modification of the agreement	§ 18.4	No modification or amendment of the franchise agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.

Provision	Section in franchise or other agreement	Summary
t. Integration/merger clause	§ 18.3	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, no claim made in any franchise agreement is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	§ 17.1	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	§§ 17.1; 17.5	Arbitration will take place where our headquarters is located (currently, Fort Lauderdale, Florida) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	§ 18.8	Florida (subject to applicable state law)

For additional disclosures required by certain states, refer to Exhibit G - State Addenda to Disclosure Document

Item 18
PUBLIC FIGURES

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

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a

reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Emmet O'Brien, 501 East Las Olas Blvd, 2nd and 3rd Floor, Fort Lauderdale, FL 33301, and 954-505-9335, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2017 to 2019

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2017	0	0	0
	2018	0	1	+1
	2019	1	7	+6
Company-Owned	2017	0	0	0
	2018	0	0	0
	2019	0	0	0
Total Outlets	2017	0	0	0
	2018	0	0	0
	2019	1	1	+1

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2017 to 2019

Column 1 State	Column 2 Year	Column 3 Number of Transfers
N/A	2017	0
	2018	0
	2019	0
Total	2017	0
	2018	0
	2019	0

Table 3
Status of Franchised Outlets
For years 2017 to 2019

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-Nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
California	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Florida	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Puerto Rico	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
Texas	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	3	0	0	0	0	3
Totals	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	6	0	0	0	0	7

Table 4
Status of Company-Owned Outlets
For years 2017 to 2019

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Florida	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Totals	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

Table 5
Projected Openings As Of December 31, 2019

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
Georgia	0	1	0
Florida	0	1	0
Totals	0	2	0

Current Franchisees

Names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets:

EcoTex Auto Wash LLC
700 Lavaca, Austin, TX 78701
979-571-9072

EcoTex Auto Wash LLC (Bryan, College Station)
700 Lavaca, Austin, TX 78701
979-571-9072

Wash on Demand LLC
5678 Mountain Hollow Dr, Dallas, Tx 75249

972-854-2010

Waterless Auto Care LLC
652 SE 25th Ave,
Fort Lauderdale, FL 33301
801-577-7216

Sina Agua DBA No-H2O Silican Valley
470 B Brokaw Rd, Unit B, San Jose CA, 95112
408-679-1555

On Demand Services, LLC (San Juan)
PO Box 8008942
Coto Laurel, PR 00780
787-925-3801

On Demand Services, LLC (Ponce)
PO Box 8008942
Coto Laurel, PR 00780
787-925-3801

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

Former Franchisees

We have not had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

Sale of Previously Owned Outlet

We are not selling a previously-owned franchised outlet now under our control.

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

Item 21
FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Below are our audited financial statements dated 12/31/2019 and 12/31/2018 .

FINANCIAL STATEMENTS

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

NoH2O Franchising, Inc.

December 31, 2019 and 2018

Financial Statements

NOH2O FRANCHISING, INC.

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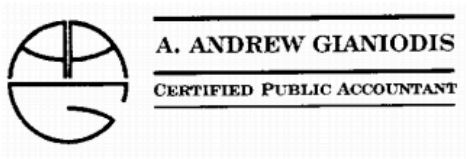


April 28, 2020

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders of
NoH2O Franchising, Inc.:

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying financial statements of NoH2O Franchising, Inc., which consist of a balance sheet as of December 31, 2019 and 2018, and the related statements of income, changes in stockholders' equity and cash flows for the period March 1 through December 31, 2018 and year ending December 31, 2019 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company's internal control. Accordingly, I express no such opinion.

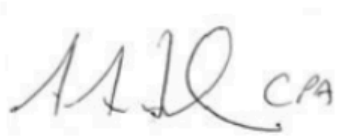
279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

An audit also includes evaluating 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NoH2O Franchising, Inc. as of December 31, 2019 and 2018 and the results of operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.



A. Andrew Gianiodis

Certified Public Accountant

Amherst, New York

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

NoH2O Franchising, Inc.

Balance Sheet
December 31, 2019 and 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	$ 528	$ 1,323
Accounts receivable	138,021	47,500
Due from affiliates	109,856	-
Inventory	2,995	-
TOTAL CURRENT ASSETS	251,400	48,823
OTHER ASSETS		
Intangible Assets (Net)	58,500	-
TOTAL ASSETS	$ 309,900	$ 48,823
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
Acccounts payable	$ 260,261	$ 73,034
Due to Stockholders	20,500	22,000
TOTAL CURRENT LIABILITIES	280,761	95,034
STOCKHOLDER'S EQUITY		
Common Stock. No par value, 1000 shares issued and outstanding	200	200
Retained Earnings	28,939	(46,411)
TOTAL STOCKHOLDER'S EQUITY	29,139	(46,211)
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	$ 309,900	$ 48,823

See accompanying notes

NoH2O Franchising, Inc.

Statement of Operations

Year ending December 31, 2019 and Period ending March 1 through December 31, 2018

	2019	2018
Revenues		
Franchise fees	$ 335,544	$ 60,000
Revenue collections	113,749	10,490
Total revenue	449,293	70,490
Reimbursement to franchisees	108,365	-
Gross margin	340,928	70,490
Expenses		
Advertising	27,157	27,900
Auto expenses	-	
Bank Fees	3,811	100
Contract labor	750	2,452
Franchise consulting	5,500	80,050
Miscellaneous	219	940
Office supplies	5,106	164
Payroll expenses	191,215	-
Professional fees	925	-
Travel	24,395	5,295
Total expenses	259,078	116,901
Operating income/(loss)	81,850	(46,411)
Amortization	6,500	-
Net Income/(Loss)	$ 75,350	$ (46,411)

See accompanying notes

- 3 -

NoH2O Franchising, Inc.

Statement of Changes in Stockholder's Equity
Year ending December 31, 2019 and Period ending March 1 through December 31, 2018

	Common Stock	Retained Equity	Total Stockholder's Equity
Balance, March 1, 2018	$ -	$ -	-
Stock Sales	200	-	200
Net Loss	-	(46,411)	(46,411)
Balance, December 31, 2018	$ 200	$ (46,411)	(46,211)
Balance, January 1, 2019	$ 200	$ (46,411)	(46,211)
Stock Sales	-	-	-
Net Income	-	75,350	75,350
Balance, December 31, 2019	$ 200	$ 28,939	29,139

See accompanying notes

NoH2O Franchising, Inc.

Statement of Cash Flows
Year ending December 31, 2019 and Period ending March 1 through December 31, 2018

	2019	2018
Cash flows from operating activities:		
Net Income/(Loss)	$ 75,350	$ (46,411)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation & amortization	6,500	-
Changes in assets and liabilities		
Current assets	(203,372)	(47,500)
Current liabilities	185,727	95,034
Net cash provided by operating activities	64,205	1,123
Cash flows from investing activities:		
Expenditures for intangible assets	(65,000)	-
Net cash provided by investing activities	(65,000)	-
Cash flows from financing activities:		
Stock Sale	-	200
Payments of long-term debt	-	-
Net cash provided by financing activities	-	200
Net change in cash	(795)	1,323
Cash - beginning of period	1,323	-
Cash - end of period	$ 528	$ 1,323
Supplemental Disclosures		
Interest Paid	$ -	$ -
Income Taxes Paid	$ -	$ -

See accompanying notes

- 5 -

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of NoH2O Franchising, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

ORGANIZATION AND NATURE OF BUSINESS

The Company was incorporated under the laws of the State of Florida for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own No H2O operation, as a franchise.

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting.

CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, the Company considers unrestricted currency, demand deposits, money market accounts and all highly liquid debt instruments purchased with original maturities of 90 days or less to be cash equivalents.

PROPERTY AND EQUIPMENT

Equipment and leasehold improvements are stated at cost. The depreciation method used for the equipment and leasehold improvements is double declining balance or straight line. Asset lives are 5 to 10 years.

REVENUE RECOGNITION

Initial franchise fees will be recorded as income when the company provides substantially all the initial services agreed upon in the franchise agreement or when the franchise has commenced operations, whichever comes first. If the fee is received over a period of time and the Company has no reasonable basis for estimating the collectability of the fee, the Company will use the installment method of recognition of the initial fee as revenue. Monthly royalty fees will be recognized when paid by the franchisee.

Company Income Taxes

The Company, with the consent of its stockholder, has elected to be treated as an C-Corporation. Federal income tax is calculated using rates as provided by the Internal Revenue Service. The Company reports taxes due in the current period only. Tax deferrals, if any, are immaterial.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 Disclosure About Fair Value of Financial Instruments

The Company estimates that the fair value of all financial instruments at December 31, 2019 and 2018, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

NOTE 3 Commitments and Contingencies

The Company does not carry general liability or worker's compensation coverage, nor is it self-insured.

NOTE 4 FRANCHISE AGREEMENT

The terms of the Company's franchise agreement will be as follows:

A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
B. The franchisee is obligated to pay a non-refundable initial franchise fee.
C. The franchisee is obligated to pay a monthly royalty fee. Certain other fees are also outlined in the agreement.

NOTE 5 SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 28, 2020 the date that the financial statements were available to be issued.

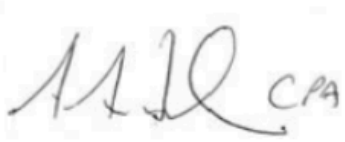
A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

CONSENT OF THE INDEPENDENT AUDITOR

A. Andrew Gianiodis, CPA, consents to the use in the Franchise Disclosure Document of NoH2O Franchising, Inc. "Franchisor" on April 29, 2020, as it may be amended, of our report dated April 28, 2020, relating to the financial statements of the Franchisor for the periods ending December 31, 2019 and 2018.

Sincerely,

A. Andrew Gianiodis, CPA



279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

B. Franchise Agreement (with Guaranty and Non-Compete Agreement, and State Addenda to Franchise Agreement)

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department Of Business Oversight, prior to 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 OFFERING CIRCULAR.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

   Neither franchisor nor any person or franchise broker in Item 2 of this 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.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

2. The following paragraph is added to the end of Item 5 of the Disclosure Document:

   Due to the Franchisor's financial condition, the California Department of Business Oversight has imposed the requirement that we defer the collection of all initial fees until your franchise has opened for business.

3. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

4. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee 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 a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

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

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.).

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 contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Fort Lauderdale, Florida, with the costs being borne equally by Franchisor and Franchisee. 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 of Florida. This provision may not be enforceable under California law.

5. The following paragraph is added at the end of Item 19 of the Disclosure Document:

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 No-H2O business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE		
1.	**Franchisee**	_____
2.	**Initial Franchise Fee**	$_____
3.	**Office Location**	_____
4.	**Territory**	_____
5.	**Opening Deadline**	_____
6.	**Principal Executive**	_____
7.	**Franchisee's Address**	_____

FRANCHISE AGREEMENT

This Agreement is made between No-H2O Franchising, Inc., a Florida Corporation ("No-H2O Franchise"), and Franchisee effective as of the date signed by No-H2O Franchise (the "Effective Date").

Background Statement:

A. No-H2O Franchise and its Parent Entity, No-H2O, Inc. have created and own a system (the "System") for developing and operating a waterless carwash and detailing services business under the trade name "No-H2O".

B. The System includes (1) methods, procedures, and standards for developing and operating a No-H2O business, (2) particular products and services, (3) the Marks, (4) training programs, (5) business knowledge, (6) marketing plans and concepts, and (7) other mandatory or optional elements as determined by No-H2O Franchise from time to time.

C. The parties desire that No-H2O Franchise license the Marks and the System to Franchisee for Franchisee to develop and operate a No-H2O business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

"**Action**" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

"**Approved Vendor**" means a supplier, vendor, or distributor of Inputs which has been approved by No-H2O Franchise.

"**Business**" means the No-H2O business owned by Franchisee and operated under this Agreement.

"**Competitor**" means any business which offers car wash and vehicle detailing services which derives 10% or more of its annual gross sales from vehicle washing or detailing services.

"**Confidential Information**" means all non-public information of or about the System, No-H2O Franchise, and any No-H2O business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

"**Gross Sales**" means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the

ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

"**Input**" means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

"**Location**" means the location stated on the Summary Page.

"**Losses**" includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys' fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of No-H2O Franchise's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

"**Manual**" means No-H2O Franchise's confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

"**Marketing Fund**" means the fund established (or which may be established) by No-H2O Franchise into which Marketing Fund Contributions are deposited.

"**Marks**" means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by No-H2O Franchise from time to time for use in a No-H2O business.

"On Demand Services" means the vehicle wash and detailing services offered to customers from a mobile service platform where the customer orders services from a digital platform and the service provider delivers services at the customer's choice of location.

"**Owner**" means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then "Owner" means Franchisee.

"**Required Vendor**" means a supplier, vendor, or distributor of Inputs which No-H2O Franchise requires franchisees to use.

"Static Location" means the fixed location business which offers detailing and car washing services from a fixed location typically located within a parking deck or high traffic parking structure.

"**System Standards**" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by No-H2O Franchise, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design, equipment, inventory, marketing and public relations, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety,

technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

"**Territory**" means the territory stated on the Summary Page.

"**Transfer**" means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) direct or indirect ownership interest of more than 25% of the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. No-H2O Franchise grants to Franchisee the right to operate a No-H2O business solely in the Territory. Franchisee shall develop, open and operate a No-H2O business in the Territory for the entire term of this Agreement.

2.2 Protected Territory.

(a) Limitation. Franchisee shall not solicit or market to potential customers outside of the Territory, except for solicitations or marketing which are primarily targeted inside the Territory and which incidentally reach potential customers outside of the Territory.

(b) Service. Franchisee shall not serve customers outside of the Territory without No-H2O Franchise's prior written permission. No-H2O Franchise may withdraw permission at any time. If Franchisee serves a customer outside of the Territory without No-H2O Franchise's prior written permission, No-H2O Franchise may impose a fee equal to the greater of (i) $500 or (ii) 75% of the amount paid by such customer to Franchisee. This fee is a reasonable estimate of No-H2O Franchise's internal cost of personnel time attributable to addressing Franchisee's breach of this Section, and is not a penalty or estimate of all damages arising from Franchisee's breach. This fee is in addition to all of No-H2O Franchise's other rights and remedies.

(c) Exclusivity. No-H2O Franchise shall not establish, nor license the establishment of, another No-H2O business within the Territory or which serves customers located in the Territory. However, No-H2O Franchise retains the right to:

(i) serve (or authorize other franchisees to serve) customers in the Territory if Franchisee is in default, or if Franchisee is incapable of meeting customer demand in the Territory (in No-H2O Franchise's reasonable opinion);

(ii) serve (or authorize other franchisees to serve) a particular customer in the Territory if Franchisee fails to properly serve such customer, or if No-H2O Franchise reasonably believes that Franchisee will not properly serve such customer;

(iii) establish and license others to establish and operate No-H2O businesses outside the Territory;

(iv) operate and license others to operate businesses anywhere that do not operate under the No-H2O brand name; and

(v) sell and license others to sell No-H2O products and services to customers in the Territory through channels of distribution (including the internet) so long as such products and services are not provided through a No-H2O outlet in the Territory, and are different from the products and services provided by Franchisee.

(d) Policies. No-H2O Franchise may set policies binding on all franchisees regarding soliciting, marketing, and serving customers in another franchisee's territory, and No-H2O Franchise may waive or modify such policies in any circumstance as No-H2O Franchise determines. If Franchisee obtains a client in the protected territory of another franchisee, then, in addition to all other rights and remedies No-H2O Franchise may have, No-H2O Franchise may in its discretion (i) require Franchisee to transfer the client to such other franchisee, (ii) require Franchisee to pay such other franchisee 75% of the Gross Sales received from such client, or (iii) fashion such other remedy as No-H2O Franchise deems appropriate.

(e) Referrals. No-H2O Franchise may set policies binding on all franchisees regarding referral fees (and other terms and conditions) when a customer is referred from one No-H2O business to another. No-H2O Franchise may waive or modify such policies in any circumstance as No-H2O Franchise determines.

2.3 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify No-H2O Franchise within 10 days.

2.4 Principal Executive. Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must participate in the direct operation of the Business and must devote substantial time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to No-H2O Franchise's reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to No-H2O Franchise, in the form of Attachment 2.

2.6 No Conflict. Franchisee represents to No-H2O Franchise that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 5 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to 2 additional periods of 5 years each, subject to the following conditions prior to each expiration:

(i) Franchisee notifies No-H2O Franchise of the election to renew between 90 and 180 days prior to the end of the term;

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with No-H2O Franchise (or any of its affiliates) at the time of election and at the time of renewal;

(iii) Franchisee has made or agrees to make (within a period of time acceptable to No-H2O Franchise) changes to the Business as No-H2O Franchise requires to conform to the then-current System Standards;

(iv) Franchisee executes No-H2O Franchise's then-current standard form of franchise agreement, which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section;

(v) Franchisee pays a renewal fee of $25,000;

(vi) Franchisee and each Owner executes a general release (on No-H2O Franchise's then-standard form) of any and all claims against No-H2O Franchise, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable, except as provided in Section 6.4.

4.2 Royalty Fee. Franchisee shall pay No-H2O Franchise a monthly royalty fee (the "Royalty Fee") equal to 10% of your gross sales generated through the On-Demand services side of the business. Franchisor will be collecting these revenues and remitting payment to Franchisee on the 5th after deducting the 10% of Gross Sales Royalty payment due to Franchisor.

Royalty Fee is 8% of Franchisee's gross sales generated through the Static Location side of the franchised business. Franchisor will be collecting these revenues and remitting payment to Franchisee on the 5th after deducting the 8% royalty payment due to Franchisor. Franchisee will be required to report to Franchisor the cash sales that were collected during the month on the 1st based on the previous month's cash collections and Franchisor will deduct 8% of these cash-

based sales from the total payment made to Franchisee. The Royalty Fee for any given month is due on the 5th day of the following month.

4.3 Marketing Contributions.

(a) Marketing Fund Contribution. Franchisee shall pay No-H2O Franchise a contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to 2% of Franchisee's Gross Sales (or such lesser amount as No-H2O Franchise determines), at the same time as the Royalty Fee.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Sales (or other amount) determined by the Market Cooperative.

4.4 Technology Fee. Franchisee will be required to pay a technology fee to Franchisor for the following amounts:

Year 1: $1,000 per month

Year 2: $2,000 per month

Year 3: $3,000 per month

Year 4: $4,500 per month

Year 5 and beyond: $5,000 per month

4.5 On Demand Service Fees. Franchisee must pay Franchisor the following fees as part of the On-Demand service. These fees will be due by the 5th and will be paid concurrently with Royalties.

$.25 per Transaction through the On-Demand Service Platform.

1.7% of Gross Sales generated through the On-Demand Service Platform.

4.6 Replacement / Additional Training Fee. If Franchisee sends an employee to No-H2O Franchise's training program after opening, No-H2O Franchise may charge its then-current training fee. As of the date of this Agreement, the training fee is $15,000.

4.7 Third Party Vendors. If No-H2O Franchise requires Franchisee to use a designated third-party vendor, No-H2O Franchise has the right (but not the obligation) to collect payment on behalf of the vendor and remit the payment to the vendor. If No-H2O Franchise does so, it may impose a reasonable markup or charge for administering the payment program.

4.8 Non-Compliance Fee. No-H2O Franchise may charge Franchisee $500 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to No-H2O Franchise) which Franchisee fails to cure after 30 days' notice. Thereafter, No-H2O Franchise may charge Franchisee 10% of the previous monthly Gross Revenues per month until Franchisee ceases such non-compliance. This fee is a reasonable estimate of No-H2O Franchise's internal cost of personnel time attributable to addressing the

non-compliance, and is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of No-H2O Franchise's other rights and remedies.

4.9 Reimbursement. No-H2O Franchise may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If No-H2O Franchise does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to No-H2O Franchise within 15 days after invoice by No-H2O Franchise accompanied by reasonable documentation.

4.10 Insurance Payments. Franchisee will pay $500 to $1,000 per month for insurance coverage to be provided to franchisee's business. This payment will be due on the 5th of each month.

4.11 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Marketing Fund and any other amounts owed to No-H2O Franchise by pre-authorized bank draft or in such other manner as No-H2O Franchise may require.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to No-H2O Franchise by the 5th day of the following month. If Franchisee fails to report monthly Gross Sales, then No-H2O Franchise may withdraw estimated Royalty Fees and Marketing Fund equal to 125% of the last Gross Sales reported to No-H2O Franchise, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that No-H2O Franchise has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a $100 "late fee" plus interest on the unpaid amount at a rate equal to 15% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. No-H2O Franchise may charge $30 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by No-H2O Franchise (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. No-H2O Franchise may apply any payment received from Franchisee to any obligation and in any order as No-H2O Franchise may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to No-H2O Franchise any fees or amounts described in this Agreement are not dependent on No-H2O

Franchise's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

ARTICLE 5. ASSISTANCE

5.1 Manual. No-H2O Franchise shall make its Manual available to Franchisee.

5.2 Assistance in Hiring Employees. No-H2O Franchise shall provide its suggested staffing levels to Franchisee. No-H2O Franchise shall provide suggested guidelines for hiring employees. All hiring decisions and conditions of employment are Franchisee's sole responsibility.

5.3 Assistance in Training Employees. No-H2O Franchise shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of new employees.

5.4 Pre-Opening Assistance.

(a) Pre-Opening Specifications and Vendors. To the extent not included in the Manual, No-H2O Franchise shall provide Franchisee with (i) applicable System Standards and other specifications as No-H2O Franchise deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (ii) No-H2O Franchise's lists of Approved Vendors and/or Required Vendors.

(b) Pre-Opening Training. No-H2O Franchise shall make available its standard pre-opening training to the Principal Executive and up to 3 other employees, at No-H2O Franchise's headquarters and/or at a No-H2O business designated by No-H2O Franchise. No-H2O Franchise shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses.

(c) Market Introduction Plan. No-H2O Franchise shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

(d) On-Site Opening Assistance. No-H2O Franchise shall have a representative support Franchisee's business opening with at least 1-3 days of onsite opening training and assistance depending on franchise size and territory.

5.5 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, No-H2O Franchise will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent No-H2O Franchise deems reasonable. If No-H2O Franchise provides in-person support in response to Franchisee's request, No-H2O Franchise may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, No-H2O Franchise will provide recommended prices for products and services offered by franchisees of the System.

(c) Procedures. No-H2O Franchise will provide Franchisee with No-H2O Franchise's recommended administrative, bookkeeping, accounting, and inventory control procedures. No-H2O Franchise may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. No-H2O Franchise shall manage the Marketing Fund.

(e) Internet. No-H2O Franchise shall maintain a website for No-H2O, which will include Franchisee's location (or territory) and telephone number.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Office Location. Franchisee may operate the business from a home office location. Franchisee is responsible for ensuring they have the general office furniture, equipment and supplies necessary to operate an office in their home.

6.2 Static Location. Franchisee is required to purchase or lease static locations according to the following schedule in the initial term of this Agreement:

Year	Number of Static Locations to be developed
1	1
2	2
3	3
4	4
5	5

Franchisee will not be asked to develop additional Static Locations in subsequent terms for the Territory as stated in this Agreement. Franchisee shall operate the Static Location in conformity with No-H2O Franchise's System Standards.

6.3 New Franchisee Training. Franchisee's Principal Executive must complete No-H2O Franchise's training program for new franchisees. If the Principal Executive (i) fails to complete the initial training program to No-H2O Franchise's satisfaction, or (ii) No-H2O Franchise concludes, no more than 10 days after the Principal Executive completes the initial training program, that the Principal Executive does not have the ability to satisfactorily operate the Business, then No-H2O Franchise may terminate this Agreement. In such event, No-H2O Franchise shall refund the initial franchise fee to Franchisee (less any franchise broker fees and other out-of-pocket costs incurred by No-H2O Franchise related to Franchisee), subject to Franchisee's prior execution of a general release of liability of No-H2O Franchise and its affiliates, in a form prescribed by No-H2O Franchise.

6.4 Conditions To Opening. Franchisee shall notify No-H2O Franchise at least 30 days before Franchisee intends to open the Business. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Franchisee has hired sufficient employees, (5) Franchisee's officers and employees have completed all of No-H2O Franchise's required pre-

opening training; and (6) No-H2O Franchise has given its written approval to open, which will not be unreasonably withheld.

6.5 Opening Date. Franchisee shall open the Business on or before the date stated on the Summary Page.

ARTICLE 7. OPERATIONS

7.1 Compliance With Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards.

7.2 Compliance With Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products and Services. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by No-H2O Franchise in the Manual or otherwise in writing. Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that No-H2O Franchise may require.

7.4 Prices. Franchisee acknowledges that the System Standards determined by No-H2O Franchise may include the minimum, maximum, and/or exact prices that franchisees may charge for products or services sold (except to the extent such authority is limited or prohibited by applicable law).

7.5 Personnel.

(a) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(b) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(c) Qualifications. No-H2O Franchise may set minimum qualifications for categories of employees employed by Franchisee.

(d) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and No-H2O Franchise are not joint employers, and no employee of Franchisee will be an agent or employee of No-H2O Franchise.

7.6 Post-Opening Training. No-H2O Franchise may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by No-H2O Franchise. No-H2O Franchise may charge a reasonable fee for any training programs. No-H2O Franchise may require Franchisee to provide training programs

to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by No-H2O Franchise. Franchisee shall enter into any subscription and support agreements that No-H2O Franchise may require. Franchisee shall upgrade, update, or replace any software from time to time as No-H2O Franchise may require. Franchisee shall protect the confidentiality and security of all software systems, and shall abide by any System Standards related thereto. Franchisee shall give No-H2O Franchise unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by No-H2O Franchise.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. No-H2O Franchise may take any action it deems appropriate to resolve a customer complaint regarding the Business, and No-H2O Franchise may require Franchisee to reimburse No-H2O Franchise for any expenses.

7.9 Customer Evaluation and System Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by No-H2O Franchise for obtaining customer evaluations and/or reviewing Franchisee's compliance with the System, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. No-H2O Franchise shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by No-H2O Franchise for such programs.

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by No-H2O Franchise (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by No-H2O Franchise. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs or customer incentive programs, designated by No-H2O Franchise, in the manner specified by No-H2O Franchise in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another No-H2O business. Franchisee shall comply with all procedures and specifications of No-H2O Franchise related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty or customer incentive programs.

7.12 Vehicles. Franchisee shall ensure that all vehicles comply with all applicable System Standards, including without limitation required equipment and exterior décor. Franchisee shall keep all vehicles in good repair, clean, and free of dents and other damage, and shall ensure that the vehicles presents a first-class image appropriate to No-H2O Franchise's System. Franchisee shall use the vehicle solely for the Business.

7.13 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that No-H2O Franchise requires, including any national or regional brand conventions. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

7.14 Insurance.

(a) Franchisor shall obtain and maintain insurance policies in the types and amounts as specified by No-H2O Franchise in the Manual. Franchisee shall reimburse Franchisor who will maintain at least the following insurance coverage for Franchisee's business:

(i) Garage Liability insurance and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $2,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000; and

(iii) Workers Compensation coverage as required by state law or a minimum coverage of $1,000,000 each accident.

(b) Franchisee's policies will list No-H2O Franchise and its affiliates as an additional insured and the policies will stipulate that Franchisee shall receive a 30 day prior written notice of cancellation. Franchisor shall provide Certificates of Insurance evidencing the required coverage to No-H2O Franchisee prior to opening and upon annual renewal of the insurance coverage, as well as at any time upon request of Franchisee.

7.15 Suppliers and Landlord. Franchisee shall pay all vendors and suppliers in a timely manner. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location.

7.16 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding No-H2O, the Business, or any particular incident or occurrence related to the Business, without No-H2O Franchise's prior written approval.

7.17 Association With Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without No-H2O Franchise's prior written approval.

7.18 No Other Businesses. If Franchisee is an entity, Franchisee shall not own or operate any other business except No-H2O businesses.

7.19 No Third Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of No-H2O Franchise, which will not be unreasonably withheld.

7.20 No Co-Branding. Franchisee shall not "co-brand" or associate any other business activity with the No-H2O Business in a manner which is likely to cause the public to perceive it to be related to the No-H2O Business.

7.21 No Subcontracting. Franchisee shall not subcontract or delegate to a third party any services to be performed by Franchisee for a customer (other than engaging individuals as independent contractors in the ordinary course of business).

7.22 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by No-H2O Franchise.

7.23 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from No-H2O Franchise. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs required by No-H2O Franchise from time to time in accordance with System Standards. No-H2O Franchise may require Franchisee to purchase or lease any Inputs from No-H2O Franchise, No-H2O Franchise's designee, Required Vendors, Approved Vendors, and/or under No-H2O Franchise's specifications. No-H2O Franchise may change any such requirement or change the status of any vendor. To make such requirement or change effective, No-H2O Franchise shall issue the appropriate System Standards.

8.2 Alternate Vendor Approval. If No-H2O Franchise requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by No-H2O Franchise. No-H2O Franchise may condition its approval on such criteria as No-H2O Franchise deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. No-H2O Franchise will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Input Approval. If No-H2O Franchise requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by No-H2O Franchise. No-H2O Franchise will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

8.4 Purchasing. No-H2O Franchise may implement a centralized purchasing system and negotiate prices and terms with vendors on behalf of the System. No-H2O Franchise may receive rebates or payments from vendors in connection with purchases by franchisees. No-H2O Franchise may establish a purchasing cooperative and require Franchisee to join and participate

in the purchasing cooperative on such terms and conditions as No-H2O Franchise may determine.

8.5 No Liability of Franchisor. No-H2O Franchise shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

8.6 Product Recalls. If No-H2O Franchise or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from No-H2O Franchise or the vendor, supplier, or manufacturer of such item with respect to the recall, repair, or other remedy of such item.

ARTICLE 9. MARKETING

9.1 Implementation. Franchisee shall not use any marketing materials or campaigns (including point-of-sale materials, advertising, social media marketing, and sponsorships) that have not been approved by No-H2O Franchise. Franchisee shall implement any marketing plans or campaigns determined by No-H2O Franchise.

9.2 Use By No-H2O Franchise. No-H2O Franchise may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, royalty-free license to No-H2O Franchise for such purpose.

9.3 Marketing Fund. No-H2O Franchise may establish a Marketing Fund to promote the System on a local, regional, national, and/or international level. If No-H2O Franchise has established a Marketing Fund:

(a) Separate Account. No-H2O Franchise shall hold the Marketing Fund Contributions from all franchisees in one or more bank accounts separate from No-H2O Franchise's other accounts.

(b) Use. No-H2O Franchise shall use the Marketing Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as No-H2O Franchise reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Marketing Fund (including the compensation of No-H2O Franchise's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Marketing Fund).

(c) Discretion. Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Marketing Fund will be spent at No-H2O Franchise's sole discretion, and No-H2O Franchise has no fiduciary duty with regard to the Marketing Fund.

(d) Surplus or Deficit. No-H2O Franchise may accumulate funds in the Marketing Fund and carry the balance over to subsequent years. If the Marketing Fund operates at a deficit or requires additional funds at any time, No-H2O Franchise may loan such funds to the National Marketing Fund on reasonable terms.

(e) Financial Statement. No-H2O Franchise will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of No-H2O Franchise's fiscal year and will provide the financial statement to Franchisee upon request.

9.4 Marketing Cooperatives. No-H2O Franchise may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Territory has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Territory is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days. No-H2O Franchise shall not require Franchisee to be a member of more than one Market Cooperative. If No-H2O Franchise establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by No-H2O Franchise. No-H2O Franchise may require the Market Cooperative to adopt bylaws or regulations prepared by No-H2O Franchise. Unless otherwise specified by No-H2O Franchise, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. No-H2O Franchise will be entitled to attend and participate in any meeting of a Market Cooperative. Any No-H2O business owned by No-H2O Franchise in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, No-H2O Franchise may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to No-H2O Franchise's approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of No-H2O Franchise pursuant to Section 9.1. No-H2O Franchise may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% of Gross Sales.

(e) Enforcement. Only No-H2O Franchise will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. No-H2O Franchise may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Marketing Fund.

9.5 Market Introduction Plan. Franchisee must follow the Market Introduction Program and invest $12,000 to $14,000 for the first 3-6 months of operating the franchised business. The marketing dollars will be paid to the Franchisor who will then match the $12,000 to $14,000 with an equal investment in marketing and advertising for the franchisee's local market.

9.6 Internet Marketing. No-H2O Franchise has the exclusive right to conduct and manage all marketing and commerce on the internet or other electronic medium, including all websites and "social media" marketing. Franchisee shall not conduct such marketing or commerce, nor establish any website or social media presence independently, except as No-H2O Franchise may specify, and only with No-H2O Franchise's consent. No-H2O Franchise retains the right to approve any linking to or other use of No-H2O Franchise's website. Franchisee must comply with any internet, online commerce and/or social media policy that No-H2O Franchise may prescribe.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as No-H2O Franchise may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as No-H2O Franchise may require in the Manual or otherwise in writing, including:

(i) a quarterly profit and loss statement and balance sheet for the Business within 30 days after the end of each fiscal quarter of No-H2O Franchise's fiscal year, and

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of No-H2O Franchise's fiscal year.

(b) Legal Actions and Investigations. Franchisee shall promptly notify No-H2O Franchise of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as No-H2O Franchise may request.

(c) Government Inspections. Franchisee shall give No-H2O Franchise copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to No-H2O Franchise such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that No-H2O Franchise may reasonably request.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to No-H2O Franchise a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of No-H2O Franchise's Franchise Disclosure Document and with such other information as No-H2O Franchise may request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as No-H2O Franchise may specify in the Manual or otherwise in writing.

10.5 Records Audit. No-H2O Franchise may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. No-H2O Franchise may conduct the audit at the Office Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by No-H2O Franchise. Franchisee shall also reimburse No-H2O Franchise for all costs and expenses of the examination or audit if (i) No-H2O Franchise conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any month.

10.6 Remote Access To Point of Sale System. Franchisee shall give No-H2O Franchise unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by No-H2O Franchise.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by No-H2O Franchise. No-H2O Franchise may supplement, revise, or modify the Manual, and No-H2O Franchise may change, add or delete System Standards at any time in its discretion. No-H2O Franchise may inform Franchisee thereof by any method that No-H2O Franchise deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, No-H2O Franchise's master copy will control.

11.2 Business Evaluation. No-H2O Franchise may accompany Franchisee or its personnel on any services performed for a customer to conduct an evaluation. No-H2O Franchise may enter the premises of the Static Locations or attend a wash at a client's home from time to time during

normal business hours and conduct an evaluation. Franchisee shall cooperate with No-H2O Franchise's evaluators. The evaluation may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. No-H2O Franchise may videotape and/or take photographs of the evaluation. Without limiting No-H2O Franchise's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an evaluation. If No-H2O Franchise conducts an evaluation because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed evaluation), then No-H2O Franchise may charge all out-of-pocket expenses plus its then-current evaluation fee to Franchisee.

11.3 No-H2O Franchise's Right To Cure. If Franchisee breaches or defaults under any provision of this Agreement, No-H2O Franchise may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse No-H2O Franchise for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, No-H2O Franchise may (i) require that Franchisee pay cash on delivery for products or services supplied by No-H2O Franchise, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third party vendors to not sell or provide products or services to Franchisee. No such action by No-H2O Franchise shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of No-H2O Franchise are in addition to any other right or remedy available to No-H2O Franchise.

11.5 Business Data. All customer data and other non-public data generated by the Business is Confidential Information and is exclusively owned by No-H2O Franchise. No-H2O Franchise hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

11.6 Innovations. Franchisee shall disclose to No-H2O Franchise all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, "Innovations") conceived or developed by Franchisee, its employees, agents or contractors. No-H2O Franchise will automatically own all Innovations, and will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee.

11.7 Communication Systems. If No-H2O Franchise provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and authorizes No-H2O Franchise to access such communications.

11.8 Delegation. No-H2O Franchise may delegate any duty or obligation of No-H2O Franchise under this Agreement to a third party.

11.9 System Variations. No-H2O Franchise may vary or waive any System Standard for any one or more No-H2O franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 Temporary Public Safety Closure. If No-H2O Franchise discovers or becomes aware of any aspect of the Business which, in No-H2O Franchise's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon No-H2O Franchise's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. No-H2O Franchise shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by No-H2O Franchise, and only in the manner as No-H2O Franchise may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of No-H2O Franchise.

12.2 Change of Marks. No-H2O Franchise may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after No-H2O Franchise makes any such change, Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) No-H2O Franchise shall defend Franchisee (at No-H2O Franchise's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) No-H2O Franchise will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement By Third Party. Franchisee shall promptly notify No-H2O Franchise if Franchisee becomes aware of any possible infringement of a Mark by a third party. No-H2O Franchise may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. No-H2O Franchise shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by No-H2O Franchise for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not

specifically authorized in writing by No-H2O Franchise, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by No-H2O Franchise (except for Confidential Information which No-H2O Franchise licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor operating in any of Franchisee's Territory or the territory of any other No-H2O business operating on the date of termination or transfer, as applicable.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of No-H2O Franchise. Franchisee agrees that the existence of any claim it may have against No-H2O Franchise shall not constitute a defense to the enforcement by No-H2O Franchise of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended for each day of noncompliance.

13.3 Employee Recruitment. During the term of this Agreement and for one year after termination, transfer, or expiration of this Agreement, Franchisee shall not knowingly employ or seek to employ or engage as an independent contractor any person then employed by No-H2O Franchise or its affiliates.

13.4 General Manager and Key Employees. If requested by No-H2O Franchise, Franchisee will cause its general manager and other key employees to sign No-H2O Franchise's then-current form of confidentiality and non-compete agreement.

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if No-H2O Franchise violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after No-H2O Franchise receives written notice of termination.

14.2 Termination by No-H2O Franchise.

(a) Subject to 10-Day Cure Period. No-H2O Franchise may terminate this Agreement if Franchisee does not make any payment to No-H2O Franchise when due, or if Franchisee does not have sufficient funds in its account when No-H2O Franchise attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after No-H2O Franchise gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and fails to cure such breach to No-H2O Franchise's satisfaction within 30 days after No-H2O Franchise gives notice to Franchisee of such breach, then No-H2O Franchise may terminate this Agreement.

(c) Without Cure Period. No-H2O Franchise may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

(ii) Franchisee knowingly submits any false report or knowingly provides any other false information to No-H2O Franchise;

(iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

(iv) Franchisee fails to open for business by the date specified on the Summary Page;

(v) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

(vi) Franchisee abandons or ceases operation of the Business for more than five consecutive days;

(vii) Franchisee or any Owner slanders or libels No-H2O Franchise or any of its employees, directors, or officers;

(viii) Franchisee refuses to cooperate with or permit any audit or evaluation by No-H2O Franchise or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2.

(ix) the Business is operated in a manner which, in No-H2O Franchise's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from No-H2O Franchise or otherwise);

(x) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;

(xi) No-H2O Franchise (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate); or

(xii) Franchisee or any Owner is accused by any governmental authority or third party of any act that in No-H2O Franchise's opinion is reasonably likely to materially and unfavorably affect No-H2O Franchise's brand, or is charged with, pleads guilty to, or is convicted of a felony.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

(i) pay all amounts owed to No-H2O Franchise based on the operation of the Business through the effective date of termination or expiration;

(ii) return to No-H2O Franchise all copies of the Manual, Confidential Information and any and all other materials provided by No-H2O Franchise to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;

(iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to No-H2O Franchise or any new franchisee as may be directed by No-H2O Franchise, and Franchisee hereby irrevocably appoints No-H2O Franchise, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and

(iv) cease doing business under any of the Marks.

14.4 Remove Identification. If Franchisee operates from an Office Location other than Franchisee's home, then within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Office Location so that it no longer contains the Marks, signage, or any trade dress of a No-H2O business, to the reasonable satisfaction of No-H2O Franchise.

Franchisee shall comply with any reasonable instructions and procedures of No-H2O Franchise for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, No-H2O Franchise may enter the Office Location to remove the Marks and de-identify the Office Location. In this event, No-H2O Franchise will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by No-H2O Franchise.

14.5 Other Claims. Termination of this Agreement by No-H2O Franchise will not affect or discharge any claims, rights, causes of action or remedies (including claims for No-H2O Franchise's lost future income after termination), which No-H2O Franchise may have against Franchisee, whether arising before or after termination.

14.6 Purchase Option. When this Agreement expires or is terminated, No-H2O Franchise will have the right (but not the obligation) to purchase any or all of the assets related to the Business at fair market value. To exercise this option, No-H2O Franchise must notify Franchisee no later than 30 days after this Agreement expires or is terminated. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. No-H2O Franchise's purchase will be of assets only (free and clear of all liens), and will not include any liabilities of Franchisee. If No-H2O Franchise exercises the purchase option, No-H2O Franchise may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts which No-H2O Franchise paid or will pay to third parties to satisfy indebtedness owed by Franchisee to third parties. If any of the assets are subject to a lien, No-H2O Franchise may pay a portion of the purchase price directly to the lienholder to pay off such lien. No-H2O Franchise may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. No-H2O Franchise may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By No-H2O Franchise. No-H2O Franchise may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and No-H2O Franchise may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that No-H2O Franchise entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing No-H2O Franchise at least 60 days prior notice of the proposed Transfer, and without obtaining No-H2O Franchise's consent. In granting any such consent, No-H2O Franchise may impose conditions, including, without limitation, the following:

(i) No-H2O Franchise receives a transfer fee equal to $15,000;

(ii) the proposed assignee and its owners have completed No-H2O Franchise's franchise application processes, meet No-H2O Franchise's then-applicable

standards for new franchisees, and have been approved by No-H2O Franchise as franchisees;

(iii) the proposed assignee is not a Competitor;

(iv) the proposed assignee executes No-H2O Franchise's then-current form of franchise agreement, which form may contain materially different provisions;

(v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5;

(vi) Franchisee has paid all monetary obligations to No-H2O Franchise in full, and Franchisee is not otherwise in default or breach of this Agreement;

(vii) the proposed assignee and its owners and employees undergo such training as No-H2O Franchise may require;

(viii) Franchisee, its Owners, and the transferee and its owners execute a general release of No-H2O Franchise in a form satisfactory to No-H2O Franchise; and

(ix) the Business fully complies with all of No-H2O Franchise's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to No-H2O Franchise, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by No-H2O Franchise, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the person with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by No-H2O Franchise within nine months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 No-H2O Franchise's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3 or to a spouse, sibling, or child of an Owner), No-H2O Franchise will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to No-H2O Franchise a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of No-H2O Franchise's receipt of such copy, No-H2O Franchise will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that No-H2O Franchise may substitute cash for any other form of payment). If No-H2O Franchise does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to No-H2O Franchise) No-H2O Franchise, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against No-H2O Franchise and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions arising as a result of any Indemnitee's misconduct or negligence. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption by No-H2O Franchise. No-H2O Franchise may elect to assume the defense and/or settlement of any Action subject to this indemnification, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c), any controversy or claim arising out of or relating to this Agreement (including its formation) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the city and state where No-H2O Franchise's headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for No-H2O Franchise to comply with laws and regulations applicable to the sale of franchises.

(e) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, No-H2O Franchise and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages authorized by federal statute. In the event of termination of this Agreement prior to the expiration of the term due to Franchisee's default, No-H2O Franchise's actual damages will include its lost future income from Royalty Fees, Marketing Fund and other amounts that Franchisee would have owed to No-H2O Franchise but for the termination.

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where No-H2O Franchise's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where No-H2O Franchise's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. No-H2O Franchise is not a fiduciary of Franchisee. No-H2O Franchise does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect No-H2O Franchise's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. No-H2O Franchise has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, No-H2O Franchise, and No-H2O Franchise's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by No-H2O Franchise in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit No-H2O Franchise's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the state of Florida (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to No-H2O Franchise, addressed to 501 East Las Olas Blvd, 2nd and 3rd Floor, Fort Lauderdale, FL 33301. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, No-H2O Franchise may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Joint and Several Liability. If two or more people sign this Agreement as "Franchisee", each will have joint and several liability.

18.11 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by No-H2O Franchise does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and No-H2O Franchise.

ARTICLE 19. CERTIFICATION OF FRANCHISOR'S COMPLIANCE

By signing this Agreement, Franchisee acknowledges the following:

(1) Franchisee understands all the information in No-H2O Franchise's Disclosure Document.

(2) Franchisee understands the success or failure of the Business will depend in large part upon Franchisee's skills, abilities and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee's control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, and the marketplace.

(3) That no person acting on No-H2O Franchise's behalf made any statement or promise regarding the costs involved in operating a No-H2O franchise that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document, and Franchisee is not relying on any such statement or promise.

(4) That no person acting on No-H2O Franchise's behalf made any claim or representation to Franchisee, orally, visually, or in writing, that contradicted the information in the Disclosure Document, and Franchisee is not relying on any such claim or representation.

(5) That no person acting on No-H2O Franchise's behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue a No-H2O franchise will generate, that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document, and Franchisee is not relying on any such statement or promise.

(6) That no person acting on No-H2O Franchise's behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Disclosure Document, and Franchisee is not relying on any such statement or promise.

(7) Franchisee understands that this Agreement contains the entire agreement between No-H2O Franchise and Franchisee concerning the No-H2O franchise, which means that any oral or written statements not set out in this Agreement will not be binding.

Agreed to by:

FRANCHISOR:

NO-H20 INC.

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

[*if an individual:*]

_____
Name: _____
Date: _____

[*if an entity:*]

_____

By: _____
Name: _____
Title: _____
Date: _____

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

1. **Form of Ownership.** Franchisee is a (check one):

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State of incorporation / organization / residence: _____

2. **Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. **Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

Attachment 2 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this "Guaranty") is executed by the undersigned person(s) (each, a "Guarantor") in favor of No-H2O Franchising, Inc., a Florida Corporation ("No-H2O Franchise").

Background Statement: _____ ("Franchisee") desires to enter into a Franchise Agreement with No-H2O Franchise for the franchise of a No-H2O business (the "Franchise Agreement"; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce No-H2O Franchise to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to No-H2O Franchise and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to No-H2O Franchise, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and No-H2O Franchise upon demand from No-H2O Franchise. Guarantor waives (a) acceptance and notice of acceptance by No-H2O Franchise of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that No-H2O Franchise make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by No-H2O Franchise for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by No-H2O Franchise, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e)

not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by No-H2O Franchise or its affiliates (except for Confidential Information which No-H2O Franchise licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to No-H2O Franchise. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor operating in any of Franchisee's Territory or the territory of any other No-H2O business operating on the date of termination or transfer, as applicable.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of No-H2O Franchise. Guarantor agrees that the existence of any claim it or Franchisee may have against No-H2O Franchise shall not constitute a defense to the enforcement by No-H2O Franchise of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended for each day of noncompliance.

4. Employee Recruitment. During the term of the Franchise Agreement and for one year after termination, transfer, or expiration of the Franchise Agreement, Guarantor shall not knowingly employ or seek to employ or engage as an independent contractor any person then employed by No-H2O Franchise or its affiliates.

5. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which No-H2O Franchise may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

6. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Florida (without giving effect to its principles of conflicts of law). The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 6. The provisions of Article

17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

_____
Name: _____
Address: _____
_____
_____
Date: _____

_____
Name: _____
Address: _____
_____
_____
Date: _____

_____
Name: _____
Address: _____
_____
_____
Date: _____

Attachment 3 to Franchise Agreement

FORM OF GENERAL RELEASE

[*This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.*]

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of No-H2O Franchising, Inc., a Florida Corporation ("No-H2O Franchise").

Background Statement: [*describe circumstances of Release*]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases No-H2O Franchise, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that No-H2O Franchise reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Agreed to by:

_____

Name: _____

Date: _____

Attachment 4 to Franchise Agreement

STATE ADDENDA TO FRANCHISE AGREEMENT

EXHIBIT C

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Business Oversight Department of Business Oversight 1515 K Street Suite 200 Sacramento, CA 95814-4052 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21st fl New York, NY 10005 (212) 416-8236	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760	
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities And Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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

If No-H2O Franchising, Inc. 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 requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If No-H2O Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Emmet O'Brien	501 East Las Olas Blvd, 2nd and 3rd Floor, Fort Lauderdale, FL 33301	954-505-9335

Issuance Date: 4/29/2020

I received a disclosure document that included the following Exhibits:

A. State Addenda to Disclosure Document
B. Franchise Agreement (with Guaranty and Non-Compete Agreement, and State Addenda)
C. State Administrators and Agents for Service of Process

Signature: _____
Print Name: _____
Date Received: _____

Keep This Copy For Your Records

RECEIPT

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C. State Administrators and Agents for Service of Process

Signature: _____
Print Name: _____
Date Received: _____

Return this copy to us.

No-H2O Franchising, Inc.
501 East Las Olas Blvd, 2nd and 3rd Floor, Fort Lauderdale, FL 33301