

FRANCHISE DISCLOSURE DOCUMENT

OAP FRANCHISES, INC.

New York Corporation

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Islip Terrace NY 11752

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Orderaplumber.com



The franchisee will operate a residential and commercial plumbing business under the “Order A Plumber” trademarks.

The total investment necessary to begin operation of an Order A Plumber franchise ranges from \$142,800 to \$257,000. This includes \$80,500 that must be paid to the franchisor.

The total investment necessary to begin operation under an Order A Plumber Area Development Agreement, assuming the purchase of 2 to 3 units, is \$177,800 to \$327,000. This includes \$115,500 to \$150,500 that must be paid to the franchisor or affiliate. The Area Development Agreement requires that you develop a minimum of two units.

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 the 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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Kenny Schwamb at 2871 Sunrise Hwy., Islip Terrace NY 11752 and 631-234-0687.

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 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, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: June 18, 2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-state dispute resolution.** The franchise agreement requires you to resolve disputes with us by mediation and litigation only in New York. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in New York than in your own state.
2. **Spouse Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.
3. **Minimum Sales.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.
4. **Minimum Advertising Payments.** You must make minimum royalty, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
5. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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.

OAP FRANCHISES, INC.
Franchise Disclosure Document

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

To simplify the language in this disclosure document, the terms “Franchisor”, or “we” or “us” means OAP Franchises, Inc., the Franchisor. The terms “we”, “us” and “Franchisor” do not include you, the “Franchisee”. We refer to the purchaser(s) of a Order A Plumber franchise, as “you” or “Franchisee”, whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a corporation (OAP Franchises, Inc.) in the state of New York in June 9th, 2020. Our principal business address is 2871 Sunrise Hwy, Islip Terrace NY 11752, and our telephone number is 631-234-0687. We do business under our company name, “ Order A Plumber, Inc.” and its associated design (the “Marks”). Order A Plumber, Inc DBA Metro National Heating And Plumbing has registered, or has filed for registration, our primary service marks on the Principal Register of the United States Patent and Trademark Office. We do not own or operate any businesses of the type you will be operating. We have not offered franchises in any other line of business. We only offer franchises which operate under the “ Order A Plumber” Marks. We began offering franchises on February 1, 2021.

The principal business addresses of our agents for service of process are shown on Exhibit A.

Our Parents, Predecessors and Affiliates

We have no parents or predecessors. One affiliated company, Metro National Heating And Plumbing, Corp. was formed in 2007, the name was changed to Order A Plumber, Inc in 2015 with a principal place of business at 2871 Sunrise Hwy, Islip Terrace NY 11752 and is the owner of our Marks and has exclusively licensed use of the Marks to us. Order A Plumber, Inc. and OAP Franchises, Inc. has not offered franchises in this or in any other lines of business previously.

The Franchise Offered:

We offer franchises for the right of a certified Master Plumber or equivalent to operate a residential and commercial plumbing business under the Order A Plumber Marks and using our distinctive operating procedures and standards in a designated area (the “Franchised Business”). The Franchised Business will provide plumbing service, repair, and bathroom remodel business. Performing standard plumbing repair and installation services, ranging from pipe repair and installation, including and but not limited to domestic water piping, sanitary piping, natural gas piping, drain cleaning, hydronic piping, gas distribution piping, and fixture installation. The distinguishing characteristics of the Franchised Business include, but are not limited to, our distinctive and uniform trade dress standards, service standards, client communication standards, and standards for management, training, and marketing, all of which may be changed, improved or further developed by us at any time (the “System”).

We also offer to select qualified persons the opportunity to sign our area development agreement attached to this Disclosure Document as Exhibit C (“Area Development Agreement”) and acquire the right to develop and open multiple Order A Plumber Franchised Businesses in a designated development area (“Development Area”) in accordance with a specified development schedule (“Development Schedule”). The Development Area will be established based on the consumer demographics of the Development Area, geographical area, city, county and other boundaries. If you

enter into an Area Development Agreement, you must sign a Franchise Agreement for your first Order A Plumber Franchised Business at the same time that you sign the Area Development Agreement. Area Developers are required to open a minimum of two Order A Plumber Franchised Businesses, but they have the option to open additional Order A Plumber Franchised Businesses upon our approval.

The Franchise Agreement for the first Order A Plumber Franchised Business to be developed under the Area Development Agreement will be in the form attached as Exhibit B to this Franchise Disclosure Document and must be signed at the same time you sign the Area Development Agreement. For each additional Order A Plumber Franchised Business developed under the Area Development Agreement, you must sign our then-current form of Franchise Agreement, which may contain materially different provisions from the current one included with this Disclosure Document.

Market and Competition:

The market for your Franchised Business consists of residential and commercial customers. The market for residential and commercial plumbing services is well developed and highly competitive. There are other Local plumbing companies in the local market which perform similar services.

Industry Specific Regulations:

Franchisees are required to obtain a local plumbing license in the jurisdiction in which they are operating. Additionally, franchisees must secure all necessary insurance, including General Liability, Auto, Disability, and Workers Compensation as mandated by local jurisdiction. This certification must remain current through the term of the Franchise Agreement.

Some states have licensing, certification or registration requirements applicable to some or all of the services you and your employees will be providing through your Franchised Business. You may be required to pay a fee to the state agency or association responsible for enforcing these requirements. Some states may require a minimum level of education or related work experience to obtain licenses.

You must comply with all local, state and federal laws and regulations that apply to the operation of your Franchised Business, including, among others, business operations, insurance, discrimination, and employment laws. Your advertising of the Franchised Business is regulated by the Federal Trade Commission. There may be federal, state and local laws which affect your Franchised Business in addition to those listed here. You will be responsible for investigating and complying with any such laws in your designated territory. You should consider both their effect on your business and the cost of compliance. You should thoroughly investigate all of these laws and requirements before purchasing an Order A Plumber franchise.

ITEM 2: BUSINESS EXPERIENCE

President: Kenny Schwamb

Kenny is the owner and has served as our President since our company's inception on June 9th, 2020. Kenneth has owned and operated Order A Plumber, Inc. since inception in 2015. From 2007-2015 owner and operator of Metro National Heating And Plumbing, Corp.

Controller: Giovanna Moeller

Giovanna has served as Controller for Order A Plumber Inc, LLC since May 2019 – present. From September 2017- May 2019 Full Charge Bookkeeper for Heller Realty. From August 2013 - September 2017 as Controller for Rway Moving and Storage.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5: INITIAL FEES

Initial Franchise Fee

We will charge you an initial franchise fee (“Initial Franchise Fee”) when you sign the Franchise Agreement. The Initial Franchise Fee is \$45,000. This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you.

Development Fee

You may also purchase the rights to open additional Order a Plumber Businesses by signing our Area Development Agreement and paying a development fee (“Development Fee”). The Development Fee is in lieu of the Initial Franchise Fee.

Your Development Fee will depend on the number of Order a Plumber Businesses we grant you the right to open within the Development Area and is calculated as follows:

Number of Service Areas	Total Population of all Service Areas	Franchise Fee	Discount
1	Up to 300,000	\$45,000	\$0
2	500,000 – 800,000	\$80,000	\$10,000
3	800,000 – 900,000	\$115,000	\$20,000

The Development Fee is payable by wire transfer or any other payment method approved by us, and must be paid in one lump-sum upon execution of the Franchise Agreement. The Development Fee is uniform and nonrefundable.

Order a Plumber Startup Package

No later than 2 weeks after signing the franchise agreement, you must purchase from us the Order a Plumber Business Startup Package (the "Startup Package"). The Startup Package, currently priced

at \$45,000, includes: (i) essential technician supplies, uniforms, drain cleaning equipment and tools, and vehicle supplies; (ii) technology components including an iPad with case, charger, and dashboard mount, website creation, and House Call Pro account setup; (iii) business support services including 12 months of bookkeeping services, tradeshow signage, and sales and marketing collateral; (iv) comprehensive training program consisting of 5 days of Order a Plumber training for you, two technicians, and a customer service representative; and (v) implementation of the Order a Plumber AI Pipeline system, which includes AI-managed customer engagement funnels for lead management, estimate follow-ups, customer nurturing, membership promotions, referral generation, and review requests, as well as a trained AI chatbot for customer inquiry management. The fee for the Startup Package is due in a lump sum, is uniform for all franchisees, fully earned when paid, and is non-refundable under any circumstances. The specific components of the Startup Package may be modified by us from time to time in our sole discretion, provided that the overall value and utility of the package remains substantially similar.

Veterans Program

We have the right to provide a 15% discount on the initial franchisee fee to qualified military veterans of the U.S. Armed Forces, who have been honorably discharged. You must provide a copy of your DD 214.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee ¹	The greater of 6% of Gross Revenue or the following: (a) \$0 during the first 12 months of operation; (b) \$75 per 1,000 population per month during months 13-24; (c) \$125 per 1,000 population per month during months 25-36; and (d) \$250 per 1,000 population per month beginning in month 37 and continuing through the term of the franchise.	Payable twice a month within 5 days of the close of each Reporting Period ² .	Payable to us.
Brand Development Fund Contribution ³	2%	Payable twice a month via ACH at the same time as Royalties.	Payable directly to the System Marketing Fund/Brand Fund.

Type of Fee	Amount	Due Date	Remarks
Local Ad Expenditure ⁴	We recommend, but do not require, that you spend 8-12% of your Gross Revenues on local advertising in each of your Service Areas	As incurred	You must expend the Local Ad Expenditure on local advertising
Advertising Cooperative ⁴	Established by cooperative members	Established by cooperative members	We currently do not have a cooperative but reserve the right to require one to be established in the future. Any amounts that you contribute to a cooperative will count towards your local advertising requirement. Each Order A Plumber outlet will have one vote in the cooperative whether franchisee owned or company owned. If our affiliate-owned outlets have controlling voting power, the maximum fees that may be imposed shall be not more than 8% of Gross Revenue.
Technology Fees ⁵	Currently, \$150 per month.	Monthly via ACH.	Payable to us. Monthly fee for intranet, email service, and other similar services we provide.
National Account Program Fee ⁶	Currently \$0; however, if we provide accounts/jobs through a national or regional accounts program, you will pay an additional 3% of gross revenue for that job booked as part of the national account program.	As incurred	Payable to us. Franchisee will be able to determine on a case by case basis if they will undertake a job referred as part of the National Account Program.
Point Of Sale System Fee	Currently, \$600 per month, per truck	Monthly via ACH.	Payable to us.

Type of Fee	Amount	Due Date	Remarks
Call Center	\$250 to \$350 per month and \$20 to \$30 per booked call	Monthly via ACH.	The telephone numbers and electronic identities you use in connection with your Order a Plumber Business will be owned and controlled by us or an approved supplier. All telephone calls to your Order a Plumber Business must be answered by a “live” voice. We require that you use our call center to provide “live” voice answering services.
Late Charge	\$250	As incurred	If you fail to pay us the Continuing Royalty Fee, Brand Fund Fee, or if you fail to submit your Gross Revenue report when due, we may charge you \$250 for each late submission in addition to interest charges explained below.
Interest Charge	1.5% per month from due date, or maximum allowed by law	As incurred	If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.
Non-Sufficient Funds Fee	\$50	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you an Insufficient Funds Fee.
Successor Agreement Fee	25% of the then-current initial franchise fee.	Before signing renewal agreement	Payable to us. See Item 17.
Transfer Fee	\$10,000 per Service Area	Before we approve the transfer	Payable to us. See Item 17

Type of Fee	Amount	Due Date	Remarks
Relocation Fee	\$1,000	Before you move your Office	Payable to us if you request to relocate your Order a Plumber Business.
Interim Management Fee	Currently, \$1,000	As incurred.	We may impose this fee (in addition to all regularly occurring fees such as the Royalty Fee and System Marketing Fund Contributions), payable to us, if we provide interim management of your Franchised Business due to lack of manager, default, death or disability.
Additional Training ⁷	Currently, \$100 per hour plus out-of-pocket expenses	As incurred.	See footnote 6.
Annual Conference or Training	Up to \$1,500 per person	Annually	We require attendance at any annual conference or additional training classes not to exceed 5 days per year for a conference and 5 days for training.
Examination of Books and Records/Audit	Cost of examination plus related expenses.	As incurred.	We have the right under the Franchise Agreement to examine your books, records and tax returns. If an examination reveals that you have understated any Gross Revenue report by 2% or more, you must pay to us the cost of the audit and all travel and related expenses, in addition to repaying monies owed and interest on the monies owed.
Confidential Operating Manual Replacement Fee	\$500 or our then-current fee	As incurred	Paid to us

Type of Fee	Amount	Due Date	Remarks
Quality Review Services ⁸	Varies	As incurred	Payable to third-party providers.
Indemnification ⁹	Amount of loss or damages plus costs	As incurred.	See footnote 8.
Reimbursement of legal fees and expenses	Our costs and expenses, including but not limited to attorneys' fees, incurred for your failure to pay amounts when due or failure to comply in any way with the Franchise Agreement.	As incurred	Payable to us.
Reimbursement of Costs and Expenses for Non-compliance ¹⁰	Actual damages, costs and expenses	As incurred.	See footnote 9.
New Product/Supplier Evaluation ¹¹	\$500	As incurred	See footnote 10.
Liquidated Damages	You must pay us the average monthly royalty fee and brand fund contribution payable by you for 12 months prior to your default multiplied by the lesser of (i) 36 months or, (ii) the number of months remaining in the term of your franchise agreement.	As incurred	You must pay us liquidated damages for lost revenues if you fail to open for business within the time period required by the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Insurance	Amount paid by us for your insurance obligations.	As incurred	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.
Taxes	Amount of taxes	When incurred.	You must reimburse us for any taxes that we must pay to any taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to any sales taxes or income taxes imposed by any authority.

All fees and expenses described in this Item 6 are nonrefundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

¹ “Gross Revenue” includes all sales of every kind and nature at or from your Franchised Business location or made pursuant to the rights granted to you by the Franchise Agreement, regardless of whether you have collected the amount of the sales. “Gross Revenue” does not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, (iii) properly documented promotional discounts (i.e. coupons) or (iv) properly documented employee discounts (limited to 3% of Gross Revenue). If you do not report revenues for the month, then we will collect 120% of the last Continuing Royalty Fee collected and settle the balance the next period in which you report revenue. You are required to set up authorization at your bank to allow us to electronically transfer funds from your bank account to our bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. We reserve the right to change the collection timing of the Royalty Fee from monthly to weekly with reasonable notice of 30 days to you. If at the end of the year your total Royalties paid are less than the Minimum Yearly Royalty shown, the difference is due by January 30.

² “Reporting Period” means the period of the 1st day of any month to the 15th day of the same month, or the period of the 16th day of any month to the last day of the same month.

³ You must pay directly to our Brand Fund a Brand Fund Contribution of up to two percent (2%) of monthly Gross Revenue, subject to increases with reasonable notice. Payments are due at the same and in the same manner as the Royalty Fee. You may be required to set up authorization at your bank to allow the Brand Fund to electronically transfer funds from your bank account to the Brand Fund’s bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. If you do not report your revenues for the month, then we will collect 120% of the last Brand Fund collected and settle the balance the next period in

which you report revenue. We reserve the right to change the collection timing of the Brand Fund from monthly to weekly with reasonable notice of 30 days to you.

⁴ If a local or regional advertising cooperative is established, contribution amounts will be established by the cooperative members, subject to our approval.

⁵ The Technology Fee provides access to a comprehensive suite of digital tools and technology systems required to operate the business. These tools and systems include, but are not limited to: (i) AI-powered marketing automation systems with pre-built customer engagement funnels for lead management, estimate follow-up, customer nurturing, referral generation, review solicitation, and membership engagement; (ii) AI-enabled chat assistant for multi-channel customer communications; (iii) professional email services; (iv) branded learning management system (LMS) for training and development; (v) recruiting and applicant tracking software; (vi) secure website hosting and maintenance; and (vii) other technology integrations as may be implemented by Franchisor from time to time. If you purchase non-contiguous Service Areas, we reserve the right to charge a Technology Fee for each Service Area, especially where the franchises will operate separately. We may increase this Technology Fee upon 30-days written notice.

⁶ We may provide services to national and/or regional accounts that require centralized overview and support, and for purposes of responding to requests and referrals for Services through our franchise system, managing those relationships, answering calls placed to our toll-free number or a national account on-line access system. In that case, we reserve the right to charge you a National Account Program Fee of up to 3% of Gross Revenue generated by the account. The purpose of this fee is to defray the cost of providing national/regional account management services to the franchise system. We do not plan to charge a fee for simple referrals where we do not directly manage the relationship with the customer, but we reserve the right to do so.

⁷ We may offer mandatory and/or optional additional training programs from time to time. If we require it, you must participate in additional training, including attendance at a national business meeting or annual convention, for up to 5 days per year, at a location we designate. We reserve the right to impose a reasonable fee for all additional training programs, including the national business meeting or annual convention. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages.

⁸ We may establish quality assurance programs conducted by third-party providers, such as, by way of example only, mystery shop programs and periodic quality audits, to monitor the operations of your Franchised Business. If we require it, you must subscribe and pay the fees for any such program.

⁹ You must indemnify and hold us, our parent and affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

¹⁰ If you breach the Franchise Agreement, you must pay us all damages, costs and expenses, including reasonable attorneys' fees, we incur in obtaining any remedy, injunctive or other relief

to enforce the provisions of the Franchise Agreement. If you fail to do so, in our sole discretion, we may correct any deficiency in the Franchised Business and/or your operation of the Franchised Business or take steps to modify, alter or de-identify the Franchised Business location upon the termination or expiration of the Franchise Agreement. You will reimburse us for our costs and expenses incurred to correct any deficiency or to modify, alter or de-identify the Franchised Business location

¹¹ If you request that we approve a proposed item or supplier, we may charge for our actual costs of product testing and evaluation.

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ITEM 7: ESTIMATED INITIAL INVESTMENT**YOUR ESTIMATED INITIAL INVESTMENT**

A. Franchise Agreement				
YOUR ESTIMATED INITIAL INVESTMENT¹				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ²	\$45,000	Lump Sum	Upon Signing	Us
Order a Plumber Startup Package ³	\$45,000	Lump Sum	Upon Signing	Us
Rent Deposit and first month's rent and utilities ⁴	\$500 - \$6,000	As arranged	As incurred	Landlord and utility companies
Leasehold Improvements	\$0 - \$20,000	As arranged	As incurred	Contractors and Vendors
Real Property/Site Lease	\$750 - \$5,000	As arranged	As incurred	Landlord
Computer, Phone and Office Equipment	\$1,500 - \$5,000	As arranged	As incurred	Vendors
Vehicle Down Payment ⁵	\$6,500 - \$10,000	As arranged	As incurred	Vendors
Grand Opening	\$15,000	As arranged	As incurred	Vendors
Office Furniture	\$500 - \$5,000	As arranged	As incurred	Vendors
Insurance	\$1,500 - \$30,000	As arranged	Varies	Insurance Company
Permits and Licenses	\$50 - \$15,000	As incurred	Prior to commencing operations	Government Authorities
Professional Fees ⁶	\$500 - \$3,000	As incurred	As Necessary	Third Parties
Travel and Living Expenses While Training	\$1,000 - \$3,000	As incurred	As arranged	Airline, Hotel, Restaurants
Additional Funds – 3 months ⁷	\$25,000 - \$50,000	As incurred	As Necessary	You Determine
TOTAL ⁷	\$142,800 - \$257,000			

Notes:

1. These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Order a Plumber Franchise with the use of 1 truck. We do not offer direct or indirect financing for these items. All expenditures paid

to us or our affiliates are uniform and nonrefundable under any circumstances once paid. All expenses payable to third parties are nonrefundable, unless otherwise specified in the individual agreements between you and the third party or as you may arrange for utility deposits and other payments.

2. Initial Franchise Fee. The Initial Franchise Fee is described in greater detail in Item 5 of this Disclosure Document. All expenditures are non-refundable unless specifically noted otherwise.
3. Order a Plumber Startup Package. Order a Plumber offers a comprehensive Business Startup Package for franchisees, providing essential tools and services to kickstart their franchise venture. This package includes a range of items such as technician supplies, uniforms, drain cleaning equipment and tools, vehicle supplies, an iPad with case, charger, and dashboard mount, website creation, 12 months of bookkeeping services, tradeshow signage, sales and marketing collateral, the creation of a House Call Pro account, and 5 days of Order a Plumber training for you, two technicians, and a customer service representative. Additionally, the package includes the complete buildout of the Order a Plumber AI Pipeline—an intelligent, automated system designed to keep the brand consistently in front of customers. This includes AI-managed funnels for speed-to-lead engagement, estimate follow-ups, customer nurturing, membership promotions, referral generation, and review requests. A trained AI chatbot is also implemented to monitor and respond to incoming customer inquiries at every stage of their journey. This all-inclusive package aims to streamline the startup process, enhance customer engagement, and equip franchisees with the technology and resources necessary for sustained growth and success.
4. Rent. You are not required to lease a commercial office space and may operation your Order a Plumber Business from your home so long as your home is located in your Service Area. If not, you must operate from a commercial space with a minimum of 750 square feet. The amount of your monthly rent will depend on the site's size, condition, and location, your ability to negotiate with the landlord, and the demand for the site among prospective lessees. Your proposed site must be approved by us, which will be subject to our reasonable discretion. Our estimates assume that you will be leasing space and that you will not purchase real property and build your own building for your Order a Plumber Business. If you choose to purchase real property and construct a building, we cannot estimate how your initial investment would increase.
5. Vehicle. This estimate is for one vehicle and your expenses will increase incrementally if you purchase any additional vehicles. If you do not currently own a van, truck or other motor vehicle that is adequate to serve as your vehicle for your Order a Plumber Business, you must purchase or lease your vehicle from a third party. You must own, purchase or lease at least one vehicle that is operable and meets the requirements in the Operations Manual, defined in Item 11. The vehicle must be in good condition and painted and decaled or wrapped with the signage we specify. Only specific vehicle styles will be allowed. We must approve the style of your vehicle. The cost of purchasing the vehicle is not included in the estimate. The pricing estimate includes a down payment on a lease or financed option for the vehicle.

6. Professional Fees. We recommend that you have a minimum amount of money available to cover any legal or accounting fees that you may incur in establishing the Business. Your actual costs may vary based on the complexity of services needed.
7. Additional Funds. We recommend that you have a minimum amount of money available to cover operating expenses, including employees' salaries, for the first three months that the Business is open and the portion of the Grand Opening Advertising to be spent after opening. This estimate does not include a salary for you or the Designated Manager.
8. Total. In compiling this chart, we relied on our affiliate's experience operating businesses similar to the one offered in this Disclosure Document. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise.

B. Area Development Agreement				
YOUR ESTIMATED INITIAL INVESTMENT¹				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee ²	\$80,000 - \$115,000	Lump Sum	Upon Signing the Area Development Agreement	Us
Initial Investment to Open Initial Order a Plumber Business	\$97,800 - \$212,000	See Chart A of this Item 7		
TOTAL	\$177,800 - \$327,000			

In general, all fees and payments are non-refundable, unless otherwise stated or permitted by the payee. We do not finance any portion of your initial investment.

1. This chart details the estimated initial investment associated with executing an Area Development Agreement for the right to own and operate 2 to 3 Order a Plumber Businesses, as well as the initial investment to open your first Order a Plumber Business under your Development Schedule.

2. Development Fee. The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and this Development Fee is for the right to open and operate between 2 and 3 Order a Plumber Businesses.

3. Initial Investment to Open Initial Order a Plumber Business. This figure represents the total estimated initial investment required to open the initial Order a Plumber Business you agreed to open and operate under the Area Development Agreement. You will be required to enter into our then-current form of franchise agreement for the initial Order a Plumber Business you open under your Area Development Agreement. The range includes all the items outlined in Table A of this Item 7, except for the Initial Franchise Fee because it is accounted for in the Development Fee. It does not include any of the costs you will incur in opening any additional Order a Plumber Businesses that you are granted the right to open and operate under your Area Development Agreement.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have identified various suppliers, distributors and manufacturers of certain equipment, inventory, and services that your Franchised Business must use or provide which meets our standards and requirements. You must purchase designated inventory, equipment, computer systems and certain software from our approved suppliers and contractors or in accordance with our specifications.

As of the date of this Disclosure Document, neither we nor any of our affiliates are an approved supplier or the only supplier of any good or service that you are required to purchase. However, we reserve the right to require you to purchase goods and services from us or any of our affiliates in the future. None of our officers or directors has an interest in any current approved supplier, although they may have an interest in a supplier the future.

We maintain written lists of approved items of equipment, fixtures, inventory and services (by brand name and/or by standards and specifications) and a list of certain designated suppliers and contractors for those items. We update these lists periodically and issue the updated lists to all franchisees.

We approve suppliers after careful review of the quality of the products and services they provide to us and our franchisees. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the item and/or supplier meets our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will notify you whether we approve or disapprove of the proposed item or supplier within 30 days after we receive all required information to evaluate the product or service. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge actual costs and expenses for this evaluation.

We currently do not receive any revenue, rebates, discounts or other material consideration from any suppliers based on your required purchases of products, supplies or equipment; however, we may do so in the future, and any rebates or discounts we receive may be kept by us in our sole discretion.

In our last fiscal year, ending on December 31, 2024, we received \$0 in revenue from required purchases and leases by franchisees. This was 0% of our total revenue of \$0, as reported in our most recent audited financial statements.

In the last fiscal year, ending on December 31, 2024, our affiliate(s) received \$0 in revenue from required purchases and leases by franchisees.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent less than 10% to establish your Franchised Business and less than 10% of your costs for ongoing operation.

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

We reserve the right to negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

You must procure, maintain and provide evidence of insurance in the following amounts, at a minimum:

Comprehensive general liability insurance, including errors and omissions coverage and personal and advertising injury coverage, in the amount of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate;

Worker's compensation coverage in the limits required by state law, and employee dishonesty insurance with third-party coverage in the amount of at least \$10,000, shall be carried on all of Franchisee's employees, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated;

Fire, vandalism and extended coverage insurance with primary and excess limits of not less than \$50,000 or such higher amount to cover the full replacement value of the equipment, fixtures, vehicles and inventory.

Business interruption insurance in an amount no less than the greater of (i) \$100,000 or (ii) an amount necessary to satisfy Franchisee's obligations under this Agreement and any lease for the Franchised Business office for a minimum period of 6 months.

Prior to operation of any vehicle on behalf of the Franchised Business, Franchisee must obtain comprehensive automobile liability insurance in the amount of at least a combined single limit for bodily and property damage of \$500,000, or greater if required by state law.

We may increase or decrease the amounts and types of insurance you must purchase by providing you with 30 days advance written notice of any changes in coverage amounts. All policies of insurance will be with responsible companies qualified to do business and in good standing in the state where your business is located, and shall be in a form satisfactory to us. All liability insurance policies shall name us as an additional insured to the extent of claims arising out of the operations of your business. To the extent our preferred insurance provider is licensed and qualified to do business in the state where your business is located, you must obtain the above-required insurance coverage from our preferred insurance provider, unless we approve an alternate insurance provider for you.

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 or Article in Franchise Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition/Lease	8.1	11, 12
b. Pre-Opening Purchase/Leases	8.2, 12.3.1	7, 11
c. Site Development & other Pre-Opening Requirements	8.1, 8.2, 12.1.1	11
d. Initial and Ongoing Training	Article 7	11
e. Opening	8.2	11
f. Fees	5.2.6, Article 6, 7.4, 7.5, 12.3.7, 12.8, 12.9, 13.2, 13.3.1, 15.6, 16.4, 18.1.4, 18.1.5, 19.1.5 20.8	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, 11.4, Article 12, 19.1.1	8, 11
h. Trademarks and Proprietary Information	9.3, Article 14, 19.2, 19.3, 19.4	13, 14
i. Restrictions on Products/Services Offered	12.8	8
j. Warranty and Customer Service Requirements	12.6	Not Applicable
k. Territorial Development and Sales Quotas	13.2	12
l. Ongoing Product/Service Purchases	Not Applicable	8
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.7, 12.1.9	Item 11
n. Insurance	Article 15	7
o. Advertising	12.1.8, Article 13	6, 11
p. Indemnification	12.4, 12.5, 15.6, 16.3.6, 21.1	14

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
q. Owner's Participation, Management, Staffing	11.1, 11.3, 12.1.3, 12.1.4	11, 15
r. Records/Reports	12.2	6
s. Inspections and Audits	12.1.5, 12.2.4, 12.9	6, 11
t. Transfer	Article 16	17
u. Renewal	Article 5	17
v. Post-Termination Obligations	Article 18	17
w. Non-Competition Covenants	19.5	17
x. Dispute Resolution	Article 20	17
y. Guaranty	11.2.6 and Attachment 6	Item 23

ITEM 10: FINANCING

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

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

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

1. Pre-Opening Obligations

Before you open your Franchised Business, we will:

- a. designate the boundaries of your territory and approve your office location. If you intend to operate from your home and your home is located within the territory, it is deemed approved without review. If you intend to operate from a commercial office, we will have up to 30 days from the date you submit all requested information to us to approve or deny the site. If we do not approve a site within 30 days, the site is deemed denied. We generally do not own the premises or lease the premises to you. Your office must meet our minimum standards and specifications, and factors that we consider when approving your office location is geographic area, population, and the size of the property. We do not assist with conforming the premises to local ordinances and building codes, and obtaining any required permits and/or constructing, remodeling, or decorating the office.
- b. provide the Order A Plumber Operations Manual and other manuals and training aids we designate for use in the operation of your Order A Plumber Franchise, as they may be revised from time to time (Franchise Agreement, Section 10.2).

- c. provide a written list of equipment (including vehicle specifications), fixtures, signage, supplies and products that will be required to open the Franchised Business. (Franchise Agreement, Section 10.3).
- d. provide you with initial training at our corporate headquarters or at a location we designate. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Section 7.1).
- e. provide you with samples or digital artwork of advertising and promotional materials for your initial marketing activities (Franchise Agreement, Section 10.4).

2. Time to Open

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Franchised Business is 120 days. Before you may open, you must (i) complete our Initial Management Training Program, (ii) hire and train your staff, if required, (iii) acquire and brand your vehicle, (iv) obtain required licenses to operate the Franchised Business. Factors that may affect this time period include your ability to acquire license and permits and completion of required training. If you have not opened your Franchised Business within 120 days after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original time as extended, is a default of the Franchise Agreement. (Franchise Agreement, Sections 8.2).

3. Obligations After Opening

During the operation of your franchise, we will:

- a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training and/or attend an annual business meeting or franchisee conference for up to 5 days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.3).
- b. upon your request, provide individualized assistance to you within reasonable limits by telephone, video conference, electronic mail or postage service, subject at all times to availability of our personnel and in reasonable limits (Franchise Agreement, Section 7.4)
- c. from time to time, as may become available, provide you with samples or digital artwork of advertising and promotional materials (Franchise Agreement, Section 10.4).
- d. maintain the Order A Plumber website with a link to your Franchised Business contact information. (Franchise Agreement, Section 12.3.6).

- e. provide you with any written specifications for required equipment, products and services and provide you with updated lists of any approved suppliers of these items (Franchise Agreement, Section 10.5).
- f. subject to applicable law, set minimum and maximum prices for the services and products offered by your Franchised Business. You may provide your Franchised Business services and products at any price that you determine within our parameters. Our suggested prices are not a representation, warranty or guarantee that such prices will enhance your sales or profit (Franchise Agreement, Section 12.7).
- g. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within 10 business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within 10 business days, the proposed material and/or campaign is deemed “disapproved”. (Franchise Agreement, Section 13.7).

4. **Advertising**

Grand Opening Advertising (Franchise Agreement, Sections 13.2)

We require you to conduct an initial marketing campaign during the 30 days following the opening of your Franchised Business. Your initial campaign will include (i) sponsoring an event for the realtor board or association in which you are a member, (ii) making cold calls upon potential referral sources, and (iii) establishing a social media presence in accordance with our standards. You must spend at least \$15,000 to conduct Grand Opening Advertising for your Franchised Business. You can expend any additional amounts that you wish on Grand Opening Advertising and we estimate that you will do so.

Local Advertising (Franchise Agreement, Sections 13.3, 13.6 and 13.7)

We recommend, but do not require, that you spend 8% to 12% of your Gross Revenue on local marketing. Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within 10 business days; however, if we do not respond within 10 business days, the proposed advertising or marketing material is deemed “disapproved”.

You are responsible for local advertising placement. You must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, you may do cooperative advertising with other Order A Plumber franchisees in your area, with our prior written approval. You may not maintain any business profile on Facebook, Twitter, LinkedIn, YouTube or any other social media and/or networking site without our prior written approval.

System-wide Brand Fund (Franchise Agreement, Section 13.4)

You are required to contribute to the System Marketing Fund up to 2% of your Gross Revenue. Franchisor reserves the right to increase this amount up to 3%. Each Order A Plumber outlet operated by our affiliate or us may contribute to the System Marketing Fund, in our discretion, but has no obligation to do so.

The System Marketing Fund is administered by our accounting and marketing personnel. We may use a national, regional, or in-house agency for advertising. We may use System Marketing Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use System Marketing Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use System Marketing contributions to pay our costs (including personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the System Marketing Fund.

The System Marketing Fund will not be used to defray any of our other general operating expenses. System Marketing Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include “Franchises Available” or similar language and contact information in advertising produced with System Marketing Fund contributions.

The System Marketing Fund collects and expends the Brand System Marketing Fund contributions for the benefit of the System as a whole. We reserve the right to use the System Marketing Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, Internet and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in any particular area, including the Territory where your Franchised Business is located.

The Brand Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.

We have no obligation to make expenditures that are equivalent or proportionate to your System Marketing Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the System Marketing Fund.

The System Marketing Fund is not audited. An annual unaudited financial statement of the System Marketing Fund is available to any franchisee upon written request.

If we spend more or less than the total of all contributions to the System Marketing Fund in any fiscal year, we may carry forward any surplus or deficit to the next fiscal year.

No System Marketing Fund contributions were expended in our most recently concluded fiscal year. Although the System Marketing Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the System Marketing Fund, however, until all monies in the System Marketing Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

Regional Advertising (Franchise Agreement, Section 13.5)

Currently, our System has no regional advertising fund or cooperative. However, we may decide to establish a regional fund or cooperative in the future and, if established in your designated geographic area, your participation will be mandatory, along with all other franchisees in the same area. A regional cooperative will be comprised of all franchised Order A Plumber outlets in a designated geographic area. Our affiliate-owned outlets may participate in a regional cooperative, in our sole discretion. Each Order A Plumber outlet will have one vote in the cooperative. If our affiliate-owned outlets have controlling voting power, the maximum fees that may be imposed shall be not more than 8% of Gross Revenue. The cooperative will be organized and governed by its members, with each member having a vote in the decision-making process. We have the right to form, dissolve, merge or change the structure of the cooperatives. Governing documents will be available to you upon your written request. If a cooperative is established during the term of your Franchise Agreement, you must sign all documents we request and become a member of the cooperative according to the terms of the documents.

If we establish a regional advertising fund or cooperative, you must contribute amounts we require. Your contributions to a regional advertising fund or cooperative will be in addition to your required contributions to the Brand Fund.

Advertising Council (Franchise Agreement, Section 9.5)

We do not have an advertising council composed of franchisees that advises us on advertising policies. The Franchise Agreement gives us the right, in our discretion, to create a franchisee advisory council to communicate ideas, including proposed advertising policies. If created, we will determine in advance how franchisees are selected to the council, which may include factors such as a franchisee's level of success, superior performance and studio profitability. We reserve the right to change or dissolve the council at any time.

5. Computer Systems (Franchise Agreement, Section 12.3)

Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems and web-based payment processing and bookkeeping accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's Computer System and accounts, including, without limitation, information concerning Gross Revenue. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's Computer System, other systems and web-based payment processing and bookkeeping accounts. You must use Quick books on-line accounting software and Service Titan. We estimate that the up front costs for your computer, phone and office equipment is between \$1,500 and \$5,000 and that your annual costs for optional or required maintenance, updating, upgrading or support is \$200.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems. We may in the future modify or establish other service performance or revenue reporting systems, as we deem appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of our products and services. You must fully cooperate in implementing any such modifications at your expense.

We have no obligation to maintain, repair, update or upgrade your computer hardware and software. At your cost, you must provide on-going maintenance and repairs to your computer hardware and software. You must upgrade your computer hardware and software as necessary to operate the most current version of our System requirements. We cannot estimate the cost of maintaining, updating

and upgrading your computer hardware and software because it will depend on the make and model of your computer, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

We reserve the right to have remote and independent access to all information generated by and stored in your computer system, including your revenue information and customer data. There are no contractual limitations on our right to have full access to this information. At our option, we may retrieve, download, analyze and store such information and data at any time. Upon our request, you must sign any documents we require to allow us to independently and electronically access and retrieve the information stored in your computer system. We own all client data stored in your computer system.

6. **National Accounts** (Franchise Agreement, Section 12.12)

We reserve the exclusive right to enter into agreements with customers under which Products and Services will be delivered to multiple locations (“National Accounts”) at rates negotiated by us (“National Account Rates”). We may enter into National Accounts within and outside of your Service Area. We reserve the right to bill and collect on such National Accounts. We have the sole discretion whether to execute a national account agreement with a particular customer, the manner of negotiation of that agreement, and the terms and conditions of that agreement. You may, but are not obligated to, provide Services to our National Accounts. However, we reserve the right to make participation in any National Accounts program a mandatory part of the System, in which event you will be required to participate in the program.

At our request, you must notify us in writing whether you wish and intend to service a National Account in accordance with the terms of the National Account agreement, including but not limited to your acceptance of the applicable National Account Rates. If you inform us that you do not wish to participate in the National Account or if you fail to comply with the terms for the National Account Program, we will have the right to provide or authorized others to provide Products and Services within your Service Area in accordance with the National Account agreement. If we have billed and collected on a National Account, we will remit to you all amount due in accordance with the procedures described in the Operations Manual.

7. **Table of Contents of Operations Manual**

The Table of Contents of our Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit E. The Operations Manual has a total of 140 pages.

8. **Training** (Franchise Agreement, Article 7)

The Order A Plumber initial training program will be held in Islip Terrace, NY, South Shore of Long Island. We expect to conduct the initial training after you have completed pre-opening activities such as securing your van(s), obtaining local licensing and hiring a Master Plumber (if needed). A pre-opening checklist contained in the Operations Manual, provided after you sign the Franchise Agreement, will help you complete critical steps and prepare for initial training. Ideally, you will attend training 3 to 5 weeks prior to launch.

Refer to the following chart for topics covered:

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Introduction: Welcome, Our Brand Culture, History, Mission and Vision	2	0	Islip Terrace, NY Area
Marketing: Advertising, Pricing Model, Networking, Our Services, Building the Client Relationship	2	2	Islip Terrace, NY Area
Personnel: Scheduling, Team Management and Development	2	2	Islip Terrace, NY Area
Operations Management: Logistics, Equipment Maintenance, Supplier Relationships, Safety and Security	1	5	Islip Terrace, NY Area
Daily Operations: The Inbound Sales Call Process, Providing Services, Installations, Scheduling, Start and End of Day Procedures	4	15	Islip Terrace, NY Area
Financial Management: Fiscal Responsibility, Goal Setting, Franchise Royalties and Reporting	2	0	Islip Terrace, NY Area
Assessment: Review, Next Steps in Planning Launch Marketing	2	1	Islip Terrace, NY Area
TOTAL HOURS	15	25	
TOTAL	40		

We periodically conduct our Initial Management Training Program throughout the year, as needed. Training will be provided by or under the direction of OAP Franchises Inc. Kenny Schwamb is our president. Kenny Schwamb has 20 years of industry experience and will be responsible for sales, marketing, operations, and brand development of the Order A Plumber concept and building relationships with referral sources. Any other instructor who assists with training will have at least 1 year of experience with us, our affiliates, or in the industry.

The Operations Manual will be the basis of our instruction, reinforced with hands-on training including observation and visual instruction. Supplemental virtual and/or online training may be offered for completion prior to attending the in-person portion of the program. You may not commence operation of the Franchised Business unless and until we determine that you have successfully completed the Initial Management Training Program.

We will provide 1 to 2 days of on-site support following the conclusion of your pre-opening process. All trainees must have successfully completed the above training program. At the conclusion, we will assess Launch Marketing plan, the capacity to conduct daily procedures, supply management, and understanding of the client relationship. If approved, you may open for business; if not approved, we may require additional training.

The cost of our instructors, training materials and up to 2 days on-site training for up to 2 people is included in the Initial Franchise Fee. You pay a reasonable fee for all System training programs.

You must pay for all of travel and personal expenses, including, but not limited to, all costs for your transportation, meals, and lodging for yourself and your personnel.

If you do not complete our Initial Management Training Program to our satisfaction, we reserve the right to terminate the Franchise Agreement. We reserve the right to charge a reasonable fee to provide initial training in our corporate headquarters or a location we designate, to any manager you appoint, with our approval, after the initial opening of your Franchised Business. You must also pay your manager's travel and personal expenses.

We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend mandatory training programs and an annual conference or national business meeting for up to 5 days each year, at a location we designate. Failure to attend mandatory training, including an annual conference or business meeting, is a default under the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs.

ITEM 12: TERRITORY

Under the Franchise Agreement, you have the right to establish and operate 1 Order A Plumber outlet within a limited protected territory (the "Protected Area"). Your Protected Area is located in all or a portion of a listed town, city, or county, and is identified by a group of contiguous zip codes. The Protected Area is determined on an individual basis taking into account demographics, minimum numbers of households, geographic terrain and market potential. Your Protected Area will have up to a population of 250,000, based on the most recent census data and determined by a third-party mapping service. Your Protected Area will be defined and attached to your Franchise Agreement as Attachment 3.

While we currently have not established a National Account with any national customer, we reserve the right to do so in the future. If we establish a National Account program, your rights to your Service Area will be subject to that National Account program as described in Item 11 above. If you elect to not participate in the National Account program, we can perform, or grant to our affiliates or another franchisee of ours the right to perform, the services to the National Account in your Service Area. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another Order A Plumber outlet or grant the right to anyone else to open a Order A Plumber outlet within the Protected Area. However, notwithstanding this limited protection right we grant to you, we reserve all rights to sell, either directly or through others, our products and services under the Marks in the Protected Area (i) through alternative distribution channels, as discussed below, (ii) to pre-existing clients, and/or (iii) at the request of a referral source.

You are required to meet the Minimum Yearly Royalty Fee that is set forth in Section 6.1.3 of the Franchise Agreement. If you do not meet these minimum requirements, we have the right to reduce

the size of your Territory or terminate your Franchise Agreement. There is no other market penetration or other contingency that will affect your right to operate in your Protected Area during the term of your Franchise Agreement, unless you are in default of your obligations to us.

The Franchise Agreement entitles you to operate only at and from 1 office location within your Protected Area. You may not change the location of your Franchised Business office, except in accordance with the requirements of Section 8.3 of the Franchise Agreement. You may only relocate the Franchised Business office with our consent. You are required to remove all identifying signs and property from the original office location.

The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within the Protected Area or contiguous territories. We may, but have no obligation to, consider granting to you the right to establish additional Order A Plumber outlets under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another Order A Plumber Franchise in an area and at a location we approve.

We reserve all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate or authorize others to own or operate Order A Plumber outlets outside of the Protected Area and may operate other kinds of businesses within the Protected Area. Although we do not currently do so and have no plans to do so, we and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business. We reserve the right to merge with, acquire, or be acquired by, an existing competitive or non-competitive franchise network, chain, or other business; however, we will not convert any acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement.

We reserve the rights to (i) offer other services and products not offered under the Marks, (ii) offer other property inspection concepts or products under the Marks or other trademarks, (iii) offer products or services through other channels of distribution in the Market Area including, but not limited to, co-branding with other real estate businesses, and products offered through retail stores, the Internet or direct marketing (“Alternate Channels of Distribution”), and (iv) service or authorize others to service National Accounts in the Service Area. You have the right to provide Products and Services to National Accounts within the Service Area. If you do not inform us that you wish to participate in the National Account, or you inform us that you do not wish to participate in the National Account, we have the right to provide or authorize others to provide Products and Services within your Service Area in accordance with the National Account agreement. You will receive no compensation for our sales through Alternative Distribution Channels in the Market Area.

You may not use Alternative Distribution Channels to make sales inside or outside your Protected Area; however, we will include a listing on our website of your Order A Plumber Franchised Business contact information. You may only solicit sales from customers in your Protected Area. Your local advertising must target customers in your Protected Area, although the reach of your local advertising may extend beyond your Protected Area. You may service a customer located outside of your Protected Area, provided that (i) the customer is (x) a prior client of yours and (y) solicited your service to perform plumbing at a property located outside of the Protected Area or (ii) a referral source in your Protected Area requests that you perform plumbing services at a property located outside of the Protected Area or (iii) you otherwise obtain our prior approval.

ITEM 13: TRADEMARKS

Order a Plumber, Inc (“Licensor”) is the owner of the Marks and has granted us the exclusive right to use the Marks and license to others the right to use the Marks in the operation of an Order A Plumber franchised location in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Order A Plumber Marks, as described below (the “Principal Marks”).

Mark	Registration Number	Registration Date	Register
	5011438	August 2, 2016 Renewed: May 16, 2022	PRINCIPAL

Licensor has filed all required affidavits.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Principal Marks or other Marks. Licensor and we will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the Principal Marks or other Marks. Licensor and we have the right to control any administrative proceedings or litigation involving the Principal Marks or other Mark licensed by us to you. You must cooperate fully with Licensor and us in defending and/or settling the litigation.

We reserve the right to substitute different Marks if we can no longer use the current Marks, or if we determine that substitution of different Marks will be beneficial to the System. In such event, we may require you, at your expense, to modify or stop using any Mark, including the Principal Marks, or to use one or more additional or substitute Marks.

You must not directly or indirectly contest Licensor’s right, or our right, to the Principal Marks or other Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of any state, or any court relating to the Marks. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Principal Marks or other Marks.

There are no currently effective agreements that significantly limit Licensor’s or our rights to use or license the use of the Principal Marks or other Marks in a manner material to the franchise.

As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Principal Mark.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents and have no pending patent applications that are material to the franchise. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in our Operations Manual and the contents of our website.

There are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding any of our copyrights discussed above.

There are no agreements currently in effect that limit your right to use any of our copyrights. As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of them.

You must notify us immediately when you learn about an infringement of or challenge to your use of our copyrights. We will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of our copyrights. We have the right to control any administrative proceedings or litigation involving our copyrights. You must cooperate fully with us in defending and/or settling the litigation.

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of your Franchised Business; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the System; the Operations Manual; methods of advertising and promotion; instructional materials; marketing plans, business methods, research, development or know-how, any other information which we may or may not specifically designate as "confidential" or "proprietary", and the components of our System whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the "Confidential Information"). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property. You may never during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination. Any and all of your personnel who have access to our Confidential Information must sign our Confidentiality/Non-Competition Agreement (Franchise Agreement, Attachment 7).

You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action, but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must appoint a Managing Principal from among your Controlling Principals who meets our requirements and is approved by us to supervise and manage all aspects of your Order a Plumber Business and to deal exclusively with us or our staff, or you must employ a General Manager who is qualified to perform those services. Your Managing Principal or General Manager must satisfy the applicable licensing requirements for the municipalities or other governmental authorities that govern your Service Area. Your Managing Principal or General Manager must meet our standards as described in the Operations Manual as updated occasionally. If you are an individual, we recommend, but do not require, your personal participation in the operation of the Order a Plumber Business. You may hire one or more Assistants to assist you in providing Services, but you are not obligated to do so. Depending on the laws, rules, regulations, ordinances and codes applicable to a Order a Plumber Business, your Assistants may also be required to satisfy the applicable licensing requirements for the municipalities or other governmental authorities that govern your Service Area.

Before rendering services to your Order a Plumber Business, the Managing Principal or General Manager, any Assistants, and any replacements for the Managing Principal or General Manager, or Assistants must attend and complete, to our satisfaction, initial training conducted by us.

You are responsible for recruiting, appointing, hiring, firing, and supervising your Assistants and other employees, independent agents, and other representatives. You will have sole authority and control over the day-to-day operations of the Order a Plumber Business and its employees and representatives. You are solely responsible for implementing training and other programs for your employees and representatives related to the legal, safe, and proper performance of their work, regardless of the fact that we may provide advice, suggestions, and certain training programs. The advice, suggestions, and training we provide are to protect our brand and the Marks and not to control the day-to-day operation of your Order a Plumber Business.

You, or the Managing Principal or General Manager are required to devote substantial full time and best efforts on a daily basis, in person, to the supervision and conduct of the Order a Plumber Business, which must not be less than 40 hours per week. If you wish to operate another business, including any e-commerce business which operates over the Internet, our prior approval, which we may grant or deny in our sole discretion, will be required. If you wish to operate another business with your Order a Plumber Business, the other business must be a complimentary, non-competing enterprise; for example, a maid service.

If you are a corporation, limited liability company or partnership, or other entity, your Managing Principal must be one of your Controlling Principals unless we agree otherwise. If you hire a General Manager, he or she is not required to be a Controlling Principal and need not own an equity interest in the entity. Your Managing Principal, General Manager, Assistants, other employees and all of your officers, directors, partners, shareholders, and members (and, if you are an individual, your spouse) must agree to be bound by the nondisclosure and noncompetition provisions of the Franchise Agreement, by signing our form of Nondisclosure and Noncompetition Agreement which is attached to our Franchise Agreement as Attachment 7. You must provide us a copy of each Nondisclosure and Noncompetition Agreement at the time it is signed and thereafter upon our request. We make no other recommendations and have no other requirements regarding employment or other written agreements between you and your employees.

We may require you to cause each of your officers, directors, partners or shareholders, and any member of your or their immediate families, your Managing Principal, General Manager, and Assistants, as applicable, to execute our standard Nondisclosure and Noncompetition Agreement.

You must provide us a copy of each Nondisclosure and Noncompetition Agreement at the time it is signed and thereafter upon our request. We make no other recommendations and have no other requirements regarding employment or other written agreements between you and your employees.

Unless waived by us, each individual who owns, directly or indirectly, an interest in the franchisee entity and each of their respective spouses, and any other individuals that we designate, must sign the Guaranty and Assumption of Franchisee's Obligations assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You must offer all products and perform all services that we periodically require for Order a Plumber Businesses and you are not permitted to offer any products or services that we have not approved. All suppliers, products and services approved by us must be offered for sale on a continuous basis from your Order a Plumber Business at the time and in the manner required by us. No sale of any product or service except those products and services from approved suppliers may be solicited, accepted or made at or from your Order a Plumber Business. If requested by us with at least 30 days' notice, the marketing of a product or service may be discontinued. If we notify you that a specific product or supplier is no longer approved, you must immediately stop purchasing that product and/or stop purchasing and/or refrain from further contracts with that supplier. Our System standards may regulate required and authorized vendors, products and services and product and service categories. We periodically may change required and/or authorized vendors, products and services and product and service categories. There are no limitations on our rights to make changes to the required services and products offered by you.

You may elect not to perform services for any one or more of the national accounts ("national accounts" includes any account which contracts with Order a Plumber for services in more than one franchised area) located in the Service Area, subject to our prior written approval. (See Items 11 and 12) In addition, a national account may elect not to do business with you or we could determine you may no longer service an account. In any of these events, we, another franchisee or a third party designated by us may provide services for the national account in the Service Area. Neither we nor any other franchisee will be liable or obligated to pay you any compensation for doing so and neither we nor any franchisee will be considered in breach of any provision of the Franchise Agreement or any other agreement between us and you. We may retain a referral or processing fee with respect to any national account you service. If any multi-location account requests that you perform services outside the Service Area, you must refer the business to us.

Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales. Otherwise, we place no restrictions upon your ability to serve customers provided you do so from the location of your Order a Plumber Business in accordance with our policies.

While we may periodically provide guidance on the prices you charge for the products and services offered by your Order a Plumber Business, the ultimate decision on pricing rests with you. If you choose to follow any pricing advice we provide, we make no guarantees or warranties that offering the products or services at the recommended price will enhance your sales or profits.

You may only sell products and services in the manner we prescribe. See Item 12 for restrictions on sales within and outside the 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 Agreement	Summary
a.	Length of the franchise term	Art. 4	Term is ten (10) years
b.	Renewal or extension of the Term	Art. 5	If you are in good standing as defined below, you can sign a successor agreement for an additional term of ten (10) years unless we have determined, in our sole discretion, to withdraw from your Territory.
c.	Requirements for franchisee to renew or extend	Sections 5.1 and 5.2	Be in full compliance, have no more than three (3) events of default during current term, provide written notice to us at least ten months before the end of the term, execute a new franchise agreement, pay us a Successor Agreement Fee of \$5,000.00, repair, upgrade or replace the equipment and other Franchised Business assets to meet then-current specifications, execute a general release, comply with then-current qualifications and training requirements, including completion of additional training. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	None	You may seek termination upon any grounds available by state law.
e.	Termination by franchisor without cause	Section 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
f.	Termination by franchisor with cause	Article 17	We may terminate only if you default. The Franchise Agreement describes defaults throughout. Please read it carefully.
g.	“Cause” defined – curable defaults	Section 17.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).

	Provision	Section in Franchise Agreement	Summary
h.	"Cause" defined - non-curable defaults	Sections 17.1 and 17.2	The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days. We may terminate the Franchise Agreement upon notice to you if you: do not obtain required licenses and permits and/or open the Franchised Business within required time frames; falsify any report to us; fail to operate for a period of five (5) consecutive days or more; fail to comply with applicable laws; understate Gross Revenue two (2) or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of the Marks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of the Marks or the System; conceal revenues or maintain false books; create a threat or danger to public health or safety; refuse an inspection or audit by us; use the Marks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three (3) or more times during the term or receive two (2) or more default notices in any 12-month period; default under any other agreement with us or our affiliate; have insufficient funds to honor a check or EFT two (2) or more times within any twelve (12)-month period; fails to meet Minimum Performance Standards; or terminate the Franchise Agreement without cause.

	Provision	Section in Franchise Agreement	Summary
i.	Franchisee's obligations on termination/non-renewal	Article 18	Upon termination, you must: cease operations; cease to identify yourself as a Order A Plumber franchisee; cease to use the Marks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorney's fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; pay liquidated damages; sell to us, at our option, all fixtures, equipment, inventory and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, social media, and software accounts.
j.	Assignment of contract by franchisor	Section 16.1.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 16.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l.	Franchisor approval of transfer by franchisee	Section 16.3	No transfer is allowed without our consent, which we will not unreasonably withhold.
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully completes our Initial Management Training Program; you have paid us and third-party creditors all amounts owed; you and the transferee sign a General Release in the form of Attachment 4 to the Franchise Agreement; you shall subordinate any claims you have against the transferee to us; you will indemnify us for a period of 3 years following the transfer; our approval of the material terms and conditions of the transfer; and payment of a transfer fee equal to 75% of the then-current initial franchise fee or 50% of the then-current initial franchise fee for transfer to an existing franchisee in good standing, or \$1,500 for transfer to an entity owned and controlled by the franchisee for convenience purposes

	Provision	Section in Franchise Agreement	Summary
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b).we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Upon termination of the Franchise Agreement, we have the option to purchase your fixtures, equipment, signs, advertising materials, supplies and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, customers or referral sources of any Order A Plumber outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business, do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
r.	Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principals shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business, Franchisor or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise (ii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iii) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Order A Plumber franchisees.
s.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 21.4	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.

	Provision	Section in Franchise Agreement	Summary
t.	Integration/merger clause	Section 21.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters.
v.	Choice of forum	Section 20.3	Litigation takes place in New York, subject to applicable state law.
w.	Choice of law	Section 20.3	New York law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures 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.

DEFINITIONS

1. 2022 Measurement Period – refers to the period of January 1, 2022 through December 31, 2022.
2. 2023 Measurement Period – refers to the period of January 1, 2023 through December 31, 2023.
3. 2024 Measurement Period – refers to the period of January 1, 2024 through December 31, 2024.
4. Outlet – refers to either a Company Owned Outlet or Franchise Outlet, as the context requires.
5. Company Owned Outlet – means an Outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, or that is managed by us, our affiliate or any person identified in Item 2.
6. Gross Sales – means the total revenue derived by each Outlet less sales tax, discounts and allowances. Gross Sales is recorded upon completion of jobs during each Measurement

Period. Gross Sales includes only income attributable to providing services of the type your Franchised Business will offer.

7. Cost of Goods Sold – means the costs of Direct Labor, Service Materials, Service Vehicles and Outside Trade Services used in providing the services to customers which are represented in Gross Sales.

8. Gross Margin – means the mathematical subtraction of Total Cost of Goods Sold from Total Gross Sales. Gross Margin does not include expenses such as rent and other overheads.

9. YOY Sales Growth – refers to the year over year calculation of the percentage of growth for Gross Sales for each Outlet. YOY Sales Growth is calculated by comparing the Gross Sales from the previous year with the Gross Sales generated during the subsequent year.

BASES AND ASSUMPTIONS

The financial information was prepared on a basis consistent with generally accepted accounting principles during the respective measurement periods. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance.

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COMPANY OWNED OUTLETS

We have 3 Company Owned Outlets located in New York. These Company Owned Outlets are representative of the franchise offered.

In Table 1 below we report Gross Sales and Cost of Goods Sold data of our representative Company Owned Outlet in Islip Terrace, NY for the 2022, 2023, and 2024 Measurement Periods. Our Islip Terrace Company Owned Outlet has operated as an Order a Plumber since 2015.

TABLE 1						
	2022 Measurement Period		2023 Measurement Period		2024 Measurement Period	
	Amount	% of Income	Amount	% of Income	Amount	% of Income
Gross Sales	\$2,185,816	100%	\$2,980,922	100%	\$2,622,730	100%
Costs of Goods Sold						
Direct Labor	\$633,887	29%	\$864,488	29%	\$708,000	27%
Materials	\$371,589	17%	\$506,769	17%	\$548,000	21%
Service Vehicle Expenses	\$100,548	4.6%	\$137,126	4.6%	\$128,500	4.9%
Outside Trade Services	\$174,865	8%	\$238,479	8%	\$236,000	9%
Total Costs of Goods Sold	\$1,280,889	59%	\$1,746,862	59%	\$1,620,500	62%
Gross Margin	\$904,928	41%	\$1,234,131	41%	\$1,002,230	38%
Disclosed Expenses not paid by Company Owned Outlet but charged to Franchisees						
Royalty Fee	\$131,149	6%	\$178,860	6%	\$157,363	6%
Brand	\$43,716	2%	\$59,620	2%	\$52,454	2%

Fund Fee						
Adjusted Gross Margin	\$730,063	33%	\$995,651	33%	\$568,021	22%

In Table 2 below we report Gross Sales and Cost of Goods Sold data of our representative Company Owned Outlet in Southampton, NY for the 2022, 2023, and 2024 Measurement Periods. Our Southampton, NY Company Owned Outlet has operated as an Order a Plumber since 2022.

TABLE 2						
	2022 Measurement Period 7/14/22 – 12/31/22		2023 Measurement Period		2024 Measurement Period	
	Amount	% of Income	Amount	% of Income	Amount	% of Income
Gross Sales	\$2,119,645	100%	\$3,778,923	100%	\$3,677,934	100%
Costs of Goods Sold						
Direct Labor	\$614,697	29%	\$1,095,888	29%	\$1,103,380	30%
Materials	\$360,340	17%	\$642,417	17%	\$698,807	19%
Service Vehicle Expenses	\$97,504	4.6%	\$173,830	4.6%	\$180,000	4.9%
Outside Trade Services	\$0	0%	\$0	0%	\$184,000	5%
Total Costs of Goods Sold	\$1,072,541	51%	\$1,912,135	51%	\$2,166,187	59%
Gross Margin	\$1,047,105	49%	\$1,866,788	49%	\$1,511,747	41%
Disclosed Expenses not paid by Company Owned Outlet but charged to Franchisees						
Royalty Fee	\$127,179	6%	\$226,735	6%	\$220,676	6%
Brand Fund Fee	\$42,393	2%	\$75,578	2%	\$73,558.68	2%

Adjusted Gross Margin	\$877,533	33%	\$1,564,475	33%	\$1,217,512	33%

In Table 3 below we report Gross Sales and Cost of Goods Sold data of our representative Company Owned Outlet in Point Lookout, NY for the 2023 and 2024 Measurement Periods. Our Point Lookout, NY Company Owned Outlet has operated as an Order a Plumber since 2023.

TABLE 3				
	2023 Measurement Period		2024 Measurement Period	
	Amount	% of Income	Amount	% of Income
Gross Sales	\$1,301,995	100%	\$1,039,115	100%
Costs of Goods Sold				
Direct Labor	\$377,579	29%	\$317,000	31%
Materials	\$336,799	26%	\$295,100	28%
Service Vehicle Expenses	\$19,627	.02%	\$20,780	2%
Outside Trade Services	\$123,547	15%	\$98,715	9%
Total Costs of Goods Sold	\$857,552	66%	\$731,595	70%
Gross Margin	\$444,444	34%	\$307,520	30%
Disclosed Expenses not paid by Company Owned Outlet but charged to Franchisees				
Royalty Fee	\$78,120	6%	\$62,346	6%
Brand Fund Fee	\$26,040	2%	\$20,782	2%
Adjusted Gross Margin	\$340,284	26%	\$224,392	22%

Notes to Tables 1, 2 and 3

1. Direct Labor cost includes amounts paid to skilled and unskilled service employees engaged in providing services to customers. Owner compensation is not included.
2. Materials cost represents the cost of materials and job supplies used in performance of repair services.
3. Outside Trade Services represents the cost of services performed by non-employee skilled contractors.
4. Service Vehicle Expense represents the cost of service vehicles used by service employees to transport materials and tools to job locations.
5. You have the option to manage your own calls and dispatching or to pay to us a Call Center Fee for managing your calls for you. The above tables do not include the cost of call management.

In Table 4 below we report Gross Sales, Number of Technicians, Average Gross Sale per Technician and information regarding sales bookings data of our representative Company Owned Outlets for the 2021, 2022 and 2023 Measurement Periods.

TABLE 4						
	2023	2024	2023	2024	2023	2024
	Islip Terrace	Islip Terrace	Southampton	Southampton	Point Lookout	Point Lookout
Gross Sales	\$2,980,992	\$2,622,730	\$3,778,923	\$3,677,934	\$1,301,995	\$1,039,115
Number of Service Vehicles	6	5.5	9	9	3	2.5
Average Revenue Per Truck	\$496,832	\$476,860	\$419,880	\$408,659	\$433,998	\$415,646
# of Opportunities	5,480	5,228	5,424	5,819	1,408	1,448
# of Job Tickets	3,920	3,920	5,424	5,819	1,408	1,448
Opportunity Conversion Rate	72%	71%	100%	100%	100%	100%
Avg. Completed Job Ticket	\$760	\$706	\$697	\$632	\$925	\$717

Notes to Table 4

1. The information in Table 4 comes from our service tracking software.
2. Gross Sales represents the total revenue derived by our Company Owned Outlets less sales tax, discounts and allowances. Gross Sales is recorded upon completion of jobs during the Measurement Period.
3. Number of service vehicles represents the number of service vehicles required to handle the number of calls that generated the gross sales. Our scheduling objective is four calls per service

vehicle, five days per week. Our Company Owned Outlet has access to service vehicles used by our affiliate business for situations where a fractional service vehicle is needed to avoid lost opportunities due to service vehicle capacity.⁴ Opportunities are defined as customer inquiries regarding their need for our service.

5. Number of Job Tickets (Opportunity Conversions) represent the number of jobs awarded to us by customers who inquired about our service (Opportunities) and elected to hire us to perform the work needed.

6. Opportunity Conversion Rate is the mathematical result of dividing Number of Job Tickets into number of Opportunities. It represents the percentage of inquiring customers who hire us after inquiring and receiving our cost estimate.

7. Value of Completed Job Tickets is the Gross Sales generated from completed Job Tickets. We recognize Gross Sales upon completion of the work called for on a Job Ticket.

8. Average Completed Job Ticket is the mathematical result of dividing the total Value of Completed Job Tickets by the total Number of Completed Job Tickets.

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

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

Other than the preceding financial performance representation, 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 Kenny Schwamb, OAP Franchises, Inc., 2871 Sunrise Hwy, Islip Terrace NY 11752, 631-234-0687, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company – Owned*	2022	1	3	+2
	2023	3	3	0
	2024	3	3	0
Total Outlets	2022	1	3	+2
	2023	3	3	0
	2024	3	3	0

Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2022 to 2024

State	Year	Number of Transfers
None	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
None	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

[Remainder of page intentionally left blank]

Table No. 4
Status of Company Owned* Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
New York	2022	1	2	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Total	2022	1	2	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3

Table No. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
New York	0	1	0
Total	0	1	0

* Our company-owned outlet is operated by our affiliate.

Exhibit F lists the location of each Order A Plumber outlet in our System.

During our last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisee has signed confidentiality clauses during the last three years.

ITEM 21: FINANCIAL STATEMENTS

Our audited financial statements which comprise the balance sheet and income statement for fiscal years ended December 31, 2024, December 31, 2023 and December 31, 2022 and the related notes to the financial statements are included in Exhibit D.

Our fiscal year end is December 31st.

ITEM 22: CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in Exhibits B and C. These include our Franchise Agreement and all exhibits to it (Marks, Territory, General Release, Statement of Ownership Interests in Franchisee, Spousal Guaranty, and Confidentiality and Non-Compete Agreement). Your spouse will be required to sign the Guaranty.

ITEM 23: RECEIPT

A receipt in duplicate is attached to this Disclosure Document as Exhibit H. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Kenny Schwamb, OAP Franchises, Inc. 2871 Sunrise Hwy, Islip Terrace NY 11752

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360

State	State Agency	Agent for Service of Process
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 212-416-8222	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501

State	State Agency	Agent for Service of Process
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is being entered into this ____ day of _____, (the "Effective Date") by and between OAP Franchises, Inc., a New York limited liability company with its principal place of business at 2871 Sunrise Hwy Islip Terrace NY 11752 (herein "Franchisor") and _____, a(n) _____, with its principal place of business located at _____ and _____'s principals _____, an individual residing at _____ and _____, an individual residing at _____ ("Principal(s)"). _____ and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee".

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a business that provides comprehensive plumbing for residential and commercial customers, using Franchisor's format, trade dress, methods of marketing and operation, training and assistance, Franchisor's confidential operations manual of business practices and policies; and plumbing standards (taken together herein the "System"). Training will occur at Franchisor's corporate headquarters or another location we designate and will be provided consistent with Franchisor's training manuals.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the service mark Order A Plumber, as set forth in Attachment 2 and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1. **RECITATIONS.** The Recitations set out above form part of this Agreement.
2. **GRANT OF FRANCHISE.** Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the non-exclusive license to operate a Order A Plumber franchise that provides any and all of commercial and residential plumbing needs (the "Franchised Business"), using only the Marks licensed hereunder, in strict

conformity with the System, which may be changed, improved and further developed by Franchisor from time to time at Franchisor's sole discretion. This grant applies only to a single location within a territory that is designated in Attachment 3 attached hereto and incorporated herein (the "Protected Area").

3. SOLICITATION AND SALES RESTRICTIONS

- 3.1 Protected Area. This Agreement grants Franchisee the right to operate the Franchise Business from a single location within a Protected Area ("Franchised Location") that is designated by the description and/or mapped boundaries set forth in Attachment 3 attached hereto and incorporated herein. Subject to Sections 3.2 and 3.3 below, Franchisor agrees that during the Term of this Agreement, Franchisor will not, and Franchisor will not permit any other Order A Plumber franchisees, to operate a Order A Plumber business in the Protected Area using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee is not in default under this Agreement or this Agreement has not been terminated. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate or franchise Order A Plumber franchises around, bordering and adjacent to the Protected Area. Franchisee will be operating from a single location that will be determined by Franchisee with Franchisor's prior written approval, which may be withheld or denied in Franchisor's sole discretion. Except as set forth in this Agreement, Franchisee is prohibited from serving and soliciting customers outside of the Protected Area and from alternative methods of distribution as more fully specified herein.
- 3.2 Outside-Area Sales. Franchisee may perform plumbing services outside of the Protected Area only with Franchisor's prior written approval, which may be withheld or denied in Franchisor's sole discretion, regardless of whether the customer is a prior client or a referral source. Prior to performing any plumbing services pursuant to this Section 3.3, Franchisee shall obtain (x) any and all required licenses to conduct business in the subject location and (y) all required insurance as set forth in Article 15 hereof covering services that Franchisee performs in the subject location. Franchisee hereby acknowledges that other System franchisees have substantially similar rights to services clients outside of their protected areas, which includes servicing clients that may be within Franchisee's Protected Area, and Franchisee hereby agrees that the exercise of such right by other System franchisees is deemed not to impair or injure Franchisee's rights pursuant to Section 2 hereof.
- 3.3 Reservation of Rights. Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Protected Area. By way of example only, Franchisor reserves the rights to (i) offer other services and products not offered under the Marks, (ii) offer other plumbing concepts or products under the Marks or other trademarks, (iii) offer products or services through other channels of distribution in the Protected Area including, but not limited to, co-branding with other plumbing businesses, and products offered through retail stores, the Internet or direct marketing ("Alternate Channels of Distribution") and (iv) service or authorize others to service National Accounts in the Service Area. Franchisor may offer Franchisee the right to service Commercial Accounts in the Protected Area, provided that Franchisee accept negotiated terms; otherwise, Franchisor may service the Commercial Accounts either directly or permit another franchisee to provide such service. Franchisee

will receive no compensation for Franchisor's sales through Alternate Distribution Channels or declined Commercial Accounts made within the Protected Area. Franchisee agrees that such implementation of Franchisor's rights pursuant to this Section 3.3 is deemed not to impair or injure Franchisee's rights pursuant to Section 2 hereof.

4. **TERM.** Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above, and terminate on the date that is ten (10) years following the Opening Date, as defined in Section 8 hereof (the "Term").
5. **SUCCESSOR OPTIONS.** Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Protected Area is located (the "Successor Franchise Agreement") for one (1) additional term of ten 10 years. The term of the Successor Franchise Agreement shall commence upon the date of expiration of the preceding term. Franchisee shall be charged a Successor Agreement Fee equal to Twenty-Five (25%) percent of the then-current initial franchise fee ("Successor Agreement Fee.")

5.1 Form and Manner of Successor Agreement. If Franchisee desires to exercise Franchisee's option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

- 5.1.1 Not less than ten (10) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).
- 5.1.2 Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within thirty (30) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.
- 5.1.3 The Successor Franchise Agreement shall supersede this Agreement in all respects, except for any outstanding obligations or liabilities incurred under this Agreement, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.
- 5.1.4 If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to this Paragraph 5 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.

- 5.1.5 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.
- 5.2 Conditions of Successor Agreement. Franchisee's right to enter into a Successor Agreement is conditioned upon the following:
- 5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, Franchisor's operations manual ("Manual") and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.
- 5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the then current Term of this Agreement, whether or not such defaults were cured.
- 5.2.3 Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.
- 5.2.4 Franchisee performs such repairs, upgrades and replacements as Franchisor may require to cause the Franchised Business equipment, fixtures, vehicles and other assets to conform to the then-current specifications for franchised businesses on the renewal date.
- 5.2.5 Franchisee shall execute a general release of all claims Franchisee may have against OAP Franchises, Inc., its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Attachment 4. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.
- 5.2.6 Franchisee shall pay the required Successor Agreement Fee and sign the Successor Agreement.
- 5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new Order A Plumber franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then current form of Renewal Franchise Agreement at the time Franchisee advises Franchisor pursuant to Paragraph 5.2 hereof that Franchisee desires to renew, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate renewal term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then current form of

Successor Agreement. Any timeframes specified in this Paragraph 5 shall be inclusive of any state mandated notice periods.

- 5.4 Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a successor franchise agreement for this Franchise as a result of a decision to withdraw from a marketing area or the Territory in which Franchisee's Franchised Business is located.

6. FEES

6.1 Initial Franchise and Royalty Fee. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:

6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee of Forty-Five Thousand Dollars (\$45,000.00) (the "Initial Fee"). The Initial Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances. Franchisee shall pay the full amount of the Initial Fee to Franchisor upon Franchisee's execution of this Agreement.

6.1.2 Order a Plumber Startup Package. Franchisee shall pay Franchisor an Order a Plumber Startup Package fee of Forty-Five Thousand Dollars (\$45,000) (the "Order a Plumber Startup Package Fee"). The Order a Plumber Startup Package includes: (a) essential technician supplies, uniforms, drain cleaning equipment and tools, and vehicle supplies; (b) technology equipment including an iPad with case, charger, and dashboard mount; (c) digital infrastructure including website creation, House Call Pro account setup, and implementation of the Order a Plumber AI Pipeline system; (d) business support services including 12 months of bookkeeping services; (e) marketing materials including tradeshow signage and sales collateral; (f) comprehensive training program consisting of 5 days of instruction for the Franchisee, two technicians, and one customer service representative; and (g) AI-powered customer engagement systems including automated funnels for lead management, estimate follow-ups, customer nurturing, membership promotions, referral generation, review requests, and an AI chatbot for customer inquiry management. Franchisor shall provide these items and services to assist Franchisee in establishing and operating the Order a Plumber Business. The Order a Plumber Startup Package Fee is non-refundable.

6.1.3 Royalty Fee. Franchisee shall pay to Franchisor a continuing royalty fee equal to the greater of (a) six percent (6%) of Franchisee's Gross Revenues, as defined below, or (b) the applicable Minimum Royalty, as defined below (the "Royalty Fee"). The Royalty Fee shall be paid twice a month, due within five (5) days of the close of each Reporting Period. Franchisee shall not subordinate to any other obligation its obligation to pay the Royalty Fee or any other fee or charge hereunder.

Number of Months Since Commencement of Operations	Minimum Monthly Royalty Fee
Months 1-12	\$0
Months 13-24	\$75
Months 25-36	\$125
Months 37+	\$250

The term “Gross Revenues” means the aggregate of all revenues and income from any source derived, invoiced or received, by Franchisee from, through, by or on account of the operation of the Franchised Business whether invoiced only or received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenues also include all proceeds from any business interruption insurance. Excluded from Gross Revenues are: (1) sales taxes and other taxes separately stated that Franchisee collects from clients and pays to taxing authorities; (2) refunds and credits made in good faith to arms' length clients, provided such credits or refunds are made in accordance with Franchisor's standards and specifications; and (3) the discount value of any voucher or other allowance that Franchisor authorizes at the time Franchisee redeems the client's voucher or allowance.

“Reporting Period” means the period of the 1st day of any month to the 15th day of the same month, or the period of the 16th day of any month to the last day of the same month.

6.1.4 Gross Revenue Reports. Franchisee is required to furnish Franchisor with a report, known as the "Gross Revenue Report", within the first five (5) business days of each month. This report should detail the Franchisee's Gross Revenue generated from the Franchised Business and/or made under the rights granted in this Agreement during the previous calendar month. The Gross Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. At Franchisor's discretion, Franchisee shall submit the Gross Revenue Report by an electronic transfer of data via the computer information systems (“Computer System”) that Franchisor may require Franchisee to use in the operation of the Franchised Business.

6.1.5 Method of Payment. Franchisee shall, together with the submission of the Gross Revenue Report, pay Franchisor the Royalty Fee and the Brand Development Fund Contribution, as defined and more particularly described in Article 13, then due. At Franchisor's request, Franchisee must execute documents that allow Franchisor to automatically take the Royalty Fee and Brand Development Fund Contribution due as well as other sums due Franchisor, from business bank accounts via electronic funds transfers. Franchisee's failure to allow electronic funds transfers on an ongoing basis constitutes a material breach of this Agreement and may result in immediate termination of this Agreement at the discretion of the Franchisor. If Franchisee fails to timely report Gross Revenue, then, in addition to a late fee and interest pursuant to Sections 6.2 and 6.3 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last

Royalty Fee payable. Franchisor shall reconcile amounts when Gross Revenues are reported.

- 6.2 Late Fee. If the Royalty Fee, System Fund Contribution, or any Gross Revenue Reports are not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of Two Hundred and Fifty Dollars (\$250.00). This late fee is reasonably related to Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay the Royalty Fee, the Brand Development Fund Contribution, and/or submit Gross Revenue Reports in accordance with the terms of this Agreement.
- 6.3 Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of 1.5% per month or at the highest rate permitted by law, whichever is lower.
- 6.4 Non-Sufficient Funds Fee. In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of Fifty Dollars (\$50.00) per occurrence. This non-sufficient funds fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.
- 6.5 Call Center Fee. Franchisee must participate in and use the centralized call center designated by Franchisor and pay all charges for the call center imposed by Franchisor or Franchisor's designated supplier. Franchisee shall comply with all requirements of Franchisor and the designated supplier related to the centralized call center, which may include linking Franchisee's local telephone number to automatically ring into the call center. The designated supplier for the call center services may be changed from time to time, and may be Franchisor or its affiliates.
- 6.6 Technology Fee. Franchisee shall be assessed the then-current monthly Technology Fee ("Technology Fee"). The Technology Fee covers access to and use of Franchisor's comprehensive digital technology infrastructure, which includes: (i) AI-powered marketing automation systems with pre-built customer engagement funnels for lead response, estimate follow-up, customer nurturing, referral generation, review solicitation, and membership management; (ii) multi-channel AI chat assistant for customer communications; (iii) professional email services; (iv) branded learning management system (LMS) for training and development; (v) recruiting and applicant tracking software; (vi) secure website hosting and maintenance; and (vii) such other digital tools and systems as Franchisor may implement to support Franchisee's business operations and brand consistency. The Franchisor has the right to increase this Technology Fee as needed upon 30-days written notice to Franchisee.
- 6.7 Point-Of-Sale System Fee. Franchisee shall be assessed the then-current monthly Point-of-

Sale System Fee ("POS Fee"). The POS Fee is paid for the point-of-sale system made available to Franchisee. The Franchisor has the right to increase this POS Fee as needed upon 30-days written notice to Franchisee.

- 6.8 Taxes. If any sales, excise, use or privilege tax is imposed or levied by any government or governmental agency on Franchisor for any Royalty Fee, Brand Development Fund Contribution or other fees due and payable to Franchisor under this Agreement, Franchisee shall pay Franchisor a sum equal to the amount of such tax.

7. TRAINING

- 7.1 Initial Management Training Program. Franchisee and Franchisee's General Manager (as hereafter defined) shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial management training program ("Initial Management Training Program") prior to the opening of the Franchised Business. The Initial Management Training Program consists of pre-program instructional materials to review and a course conducted at Franchisor's headquarters or location we designate. Franchisor reserves the right to designate an alternate location for the course component of the Initial Management Training Program. Franchisee must at all times during the term of this Agreement have a principal or General Manager who has successfully completed the Initial Management Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to two (2) people to take the Initial Management Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, lodging, meals and wages.
- 7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Management Training Program. If the Initial Management Training Program is not satisfactorily completed by the Initial Trainees, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial Management Training Program cannot be satisfactorily completed by Franchisee or Franchisee's General Manager, Franchisor may terminate this Agreement.
- 7.3 Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's Principals and General Manager, shall participate in on-going training and/or a national business meeting or annual convention, for up to five (5) days per year. Franchisor reserves the right to impose a fee, as determined in its sole discretion, for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional

training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional missed training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.

- 7.4 Counseling and Assistance. In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge furnish consultation and assistance to Franchisee, either in person or by telephone, video conference, electronic mail or postal service, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding employee training, marketing, operation issues, bookkeeping and System improvements.

8. FRANCHISED BUSINESS SITE REQUIREMENTS

- 8.1 Franchisee assumes all cost, liability, expense and responsibility for obtaining and developing an office location for the Franchised Business within the Market Area. Franchisee is hereby permitted to operate out of a home-based office, provided that such office is located in the Protected Area. If Franchisee intends or desires to operate out of a commercial office location, such office location is subject to Franchisor's approval, which shall not be unreasonably withheld. After an office location for the Franchised Business is identified and approved, the address thereof shall be set forth on Attachment 3 of this Agreement. Franchisee shall be responsible for equipping and outfitting the Franchised Business office as outlined in the Manual.
- 8.2 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Upon Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business, which shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) satisfactorily complete Franchisor's Initial Management Training Program, as further set forth in Article 7, (ii) hire and train staff, if required, (iii) acquire and brand a vehicle in accordance with Franchisor's specifications, (iv) obtain all required licenses to operate the Franchised Business. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within one hundred twenty (120) days following the date of this Agreement, unless otherwise extended by Franchisor, shall be deemed a material event of default under this Agreement.
- 8.3 No Relocation. Franchisee's rights to operate the Franchised Business shall be limited to the Protected Area set forth in Attachment 3 and no other. Franchisee shall not relocate the office of the Franchised Business at any time without Franchisor's written approval,

which approval shall be granted only in the sole and complete discretion of Franchisor and upon payment of a relocation fee of One Thousand Dollars (\$1,000), and if permitted, shall be at Franchisee's sole expense. In the event such permission is granted, (i) Franchisee shall remove any signs or other property from the original Franchised Business office which identified the original Franchise Business office as part of the System and (ii) the parties shall amend Attachment 3 to reflect the address of the new Franchised Business office location.

9. MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED LOCATION AND SYSTEM

9.1 Maintenance of Franchised Business Location. Franchisee shall equip and maintain the Franchised Business office location, the Computer System, and all hardware, software and related accessories to the standards of quality, repair and condition required by Franchisor, which standards are specified in the Manual and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repairs or replacement of worn or impaired fixtures, equipment, vehicles and computer hardware, software and accessories, as Franchisor may direct.

9.2 Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment, including but not limited to, the Computer System, telecommunications hardware and software, payment processing systems, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

9.3 Trade Dress Modifications.

9.3.1 Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new or modified color schemes, tag lines, logos or marks (collectively, "Trade Dress Modifications").

9.3.2 Franchisee shall, at Franchisee's sole expense, modify identifying elements of the Franchised Business, as required by Franchisor, but not more frequently than once during each then-current term, to conform to Trade Dress Modifications. Notwithstanding the foregoing restriction on the frequency of Trade Dress Modifications, Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.

9.3.3 Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.

- 9.4 No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.
- 9.5 Franchisee Advisory Council. Franchisor reserves the right to create (and if created, the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on a franchisee's level of success, superior performance and profitability.

10. FRANCHISOR'S OBLIGATIONS

Franchisor and/or its designated representative will provide the services described below:

- 10.1 Protected Area and Site Determination. Designate the boundaries of Franchisee's Protected Area, by description and/or mapped boundaries, and set forth same in Attachment 3 attached hereto and incorporated herein.
- 10.2 Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the Internet, at Franchisor's sole and absolute discretion.
- 10.3 Pre-Opening Requirements. Provide a written list of equipment (including vehicle specifications), signage, supplies and products that will be required and/or recommended to open the Franchised Business for business.
- 10.4 Advertising Materials. Provide samples or digital artwork of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.
- 10.5 List of Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of approved and/or recommended suppliers of products and services for System franchisees.
- 10.6 Training. The training programs specified in Article 7 herein.

10.7 On-Going Assistance. Post-opening assistance at the Franchised Business office location in accordance with the provisions of Article 7.

10.8 Brand Development Fund. Administer a Brand Development Fund in accordance with Section 13.3.

11. FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1 Best Efforts. Franchisee, including each of Franchisee's Principals, covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.

11.2 Corporate Representations. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each Principal represent, warrant and covenant that:

11.2.1 Franchisee is duly organized and validly existing under the state law of its formation;

11.2.2 Franchisee is duly qualified and is authorized to do business in the jurisdiction of the Franchised Business location and the Protected Area;

11.2.3 Franchisee's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;

11.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee;

11.2.5 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent or otherwise, that are not reflected as liabilities; and

11.2.6 If any Franchisee Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 6 hereof.

11.3 Appointment of General Manager.

- 11.3.1. Franchisee shall designate and retain at all times a general manager (“General Manager”) to direct the operation and management of the Franchised Business. Franchisee shall designate its General Manager prior to attending the Initial Management Training Program. The General Manager shall be responsible for the daily operation of the Franchised Business. The General Manager may, but does not have to be, Franchisee, if Franchisee is an individual, or a Principal.
- 11.3.2. The General Manager shall, during the entire period he or she serves as General Manager, meet the following qualifications:
 - 11.3.2.1. The General Manager shall meet Franchisor’s standards and criteria for such individual, as set forth in the Manual or otherwise in writing by Franchisor, and shall be an individual otherwise acceptable to Franchisor, in its sole discretion.
 - 11.3.2.2. The General Manager shall devote his or her full time and best efforts to the supervision and management of the Franchised Business and may not engage in any other business activity without the Franchisor’s consent, which may be withheld in Franchisor’s sole discretion.
 - 11.3.2.3. The General Manager shall satisfy the training requirements set forth in Article 7.
 - 11.3.2.4 The General Manager shall, within twelve (12) months of the Effective Date of this Agreement, obtain a certification in plumbing issued by a state- or nationally recognized organization approved by Franchisor. In addition to the requirements of Section 7.4 hereof, Franchisee, at Franchisee’s sole expense, shall ensure that Franchisee’s General Manager attends any required continuing education or training programs to maintain his or her certification.
- 11.3.3. If the General Manager is not able to continue to serve in such capacity, or no longer qualifies to act as such in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate a replacement manager within thirty (30) days after the General Manager ceases to serve, such replacement being subject to the same qualifications required by this Agreement (including, but not limited to, completing all training and obtaining all certifications required by Franchisor). Until such replacement is designated, Franchisee shall provide for interim management of the Franchised Business, who shall act in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement. Franchisor, in Franchisor’s sole discretion, may provide interim management support and charge Franchisee the then-current interim management support fee until a replacement General Manager is properly trained or certified in accordance with Franchisor’s

requirements. Franchisee shall pay the interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, upon written demand by Franchisor, or Franchisor may withdraw such amounts from Franchisee's designated bank account in accordance with Section 6.1.4.

- 11.4 Legal Compliance. Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, fictitious name registrations, sales and other tax permits, fire and police department clearances, Americans With Disability Act compliance, any permits, certificates or licenses required by any industry regulatory agency or association and any other requirement, rule, law or regulation of any federal, state or local jurisdiction.
- 11.5 Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business or Franchised Business location, including, but not limited to, the business operation and incidents and occurrences related to a client or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.
- 11.6 Assignment of Numbers and Listings. At Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers and listings; and provide Franchisor with passwords and administrator rights for all email, software, social media or other such accounts used or created by Franchisee in order to operate the Franchised Business. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.
- 11.7 Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.

- 11.8 Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties and covenants.

12. FRANCHISEE'S OPERATIONS

- 12.1 Operation of Franchised Business. In order to maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:

- 12.1.1 Procure, maintain, and renew as necessary, all required licenses or permits to allow the operation of the Franchised Business and otherwise comply with all applicable governmental laws, ordinances, rules and regulations; provide Franchisor with copies of all such licenses, permits, and compliance documents upon request;
- 12.1.2 Conduct sales and service of customers using Franchisor's format, methods, forms, reports and software and otherwise in accordance with Franchisor's standards and specifications;
- 12.1.3 Employ sufficient employees as prescribed by Franchisor to operate the Franchised Business at its maximum capacity and efficiency as required by Franchisor;
- 12.1.4 Employ only qualified individuals, in accordance with Section 12.5 below, who are trained and licensed as required by Franchisor and who will at all times conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation of the System. Franchisee shall require Franchisee's General Manager and all employees to wear clothing conforming to Franchisor's specifications as to style, color, and design as Franchisor may from time to time reasonably designate so as to maintain the goodwill and reputation of Franchisor, the System and the Marks. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;
- 12.1.5 Permit Franchisor or its agents, to inspect the Franchised Business and any services, products or equipment, through service call attendance or otherwise, to determine whether they meet Franchisor's then-current standards, specifications and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs of any item that does not conform to the System standards and specifications;

12.1.6 Maintain in good working order, cleanliness and appearance, all vehicles for use in the Franchised Business that meet Franchisor's specifications and standards of condition, age and branding, as set forth in the Manual.

12.1.7 Prominently display signage in and upon vehicles for use in the Franchised Business that incorporate the Marks and/or other advertising and/or signs of such nature, form, color, number, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing. Franchisee shall not display any signage upon the Franchised Business office location (if applicable) or elsewhere of any kind to which Franchisor reasonably objects, including signs and advertising media that are outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Franchised Business office location or elsewhere and remove any objectionable or non-approved signs or advertising media and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort;

12.1.8 Conduct all advertising programs in a manner consistent with Franchisor's standards and specifications, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks.

12.1.9 Keep the Franchised Business office location in good condition and repair and in a proper and businesslike manner, using Franchisee's best efforts to maintain a clean and respectable atmosphere therein in accordance with System standards, the Manual and all other directives and requirements of Franchisor. Franchisee shall make such repair, remodel or restoration to the Franchised Business office location as from time to time may be reasonably required to meet System standards and Franchisor's requirements as they may be modified from time to time.

12.2 Bookkeeping and Reports.

12.2.1 Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations utilizing the accounting procedures specified by Franchisor. Franchisee agrees to: (i) purchase the Computer Systems specified in Section 12.3 and (ii) hire an outside accounting or bookkeeping firm to maintain the records and accounts of the Franchisee in accordance with the chart of accounts, income statement and balance sheet formats specified by Franchisor. Franchisor reserves the right, at any time, to designate an approved vendor of accounting services, and upon such designation, Franchisee shall engage such approved vendor for accounting services.

Franchisee acknowledges and agrees that the financial performance of Franchisee's Franchised Business may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof.

- 12.2.2 Following the close of each calendar month, Franchisee shall prepare a full and complete written statement of the monthly income and expense, together with a balance sheet for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Within ten (10) days of Franchisor's request, Franchisee shall provide such monthly financial statements to Franchisor. By April 15 of each calendar year, Franchisee shall provide Franchisor with Franchisee's annual financial statements, which shall be prepared by an independent certified public accountant and certified to be correct.
- 12.2.3 The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate.
- 12.2.4 Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds that any Gross Revenue Report was understated by two percent (2%) or more, Franchisee shall reimburse Franchisor for the cost of such examination, including Franchisor's travel costs, and pay the Franchisor the amounts due together with interest thereon at the rate provided herein. Such understatement may be considered a material default hereunder. Two (2) such understatements during the term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein.

12.3 Computer Systems.

- 12.3.1. Franchisee, at Franchisee's sole expense, shall install and maintain the Computer System and other computer hardware and software Franchisor requires for the operation of the Franchised Business and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.
- 12.3.2. Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems and web-based payment processing and bookkeeping accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's Computer System and accounts, including, without limitation, information concerning Gross Revenue. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's Computer System, other systems and web-based payment processing and bookkeeping accounts.
- 12.3.3 Any and all customer data collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall

automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

12.3.4. Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.

12.3.5. Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the speed required by Franchisor from time to time. Franchisee shall utilize the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the Internet except as provided and specifically permitted herein.

12.3.6. Franchisor has established a website that provides information about the System and the services and products offered by the Order A Plumber System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include a listing on its Website of Franchisee's contact information. Franchisee has no ownership or other proprietary rights to Franchisor's Website and Franchisee will lose all rights to such listing of Franchisee's contact information upon expiration or termination of this Agreement for any reason.

12.3.7. In addition to the requirements of Section 6.6, Franchisee shall pay all fees, whether to Franchisor or to third party vendor(s), and expenses for technology required by this Agreement for operation of the Franchised Business, including but not limited to, the costs of computer hardware and software and applications, installation costs and regularly recurring fees for software, Internet access, license fees, help desk fees, and licensing or user-based fees.

12.3.8 Franchisee is solely responsible for maintaining the security and integrity of the computer and payment processing systems used in the Franchised Business and the customer and other data stored therein. In the event of a security breach, Franchisee shall promptly notify Franchisor and shall take all necessary steps to mitigate the impact of such breach, including but not limited to, complying with any applicable laws and regulations regarding notification to affected individuals and/or authorities. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software and Internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and payment processing systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.

12.4 Safety and Security. Franchisee is solely responsible for the safe and secure operation of the Franchised Business and the services provided thereby for Franchisee, Franchisee's personnel, clients, agents and the general public. All matters of safety and security are

within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims made against Franchisor regarding safety or security.

- 12.5 Customer Safety. Franchisee shall conduct a background review of every prospective employee's criminal history and any other histories (such as motor vehicle, medical and/or credit histories) that Franchisor requires and that Franchisee determines to be necessary and appropriate, prior to hiring. Franchisee shall not hire any prospective employee for any position involving entrance to a residence if such prospective employee's background review indicates, in Franchisee's sole discretion, a propensity for violence, dishonesty, negligent, reckless or careless behavior, or a conviction for any crime. Notwithstanding the foregoing, all matters of employment and the safety of Franchisee's customers are within Franchisee's discretion and control. Franchisor shall not be liable to Franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims, demands or actions against Franchisor arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for torts allegedly committed by any employee or agent of Franchisee).
- 12.6 Client Dispute Resolution. Franchisee acknowledges that customer satisfaction is essential to Franchisee's success as well as the reputation and success of the System and other Order A Plumber Franchisees. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the satisfaction of each of Franchisee's customers; (ii) use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; (iii) respond to customer complaints in a courteous, prompt, and professional manner; (iv) use its best efforts to promptly and fairly resolve customer disputes; and (v) within seven (7) days of receiving a request from Franchisor, provide Franchisor a written summary of the dispute. If Franchisee fails to resolve a dispute with a customer, for any reason whatsoever, Franchisor, in its sole discretion and for the sole purpose of protecting the goodwill and reputation of the System and the Marks, may (but shall not be obligated to) investigate the matter and take such action as Franchisor may deem necessary or appropriate to resolve the dispute fairly and promptly, including, but not limited to, the issuance of a refund on Franchisee's behalf. Within ten (10) days after receiving notice thereof, Franchisee shall reimburse Franchisor for any amounts refunded to a customer on Franchisee's behalf. Nothing contained in this Section or any other provision of this Agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.
- 12.7 Prices. Subject to applicable law, Franchisor may recommend, set maximum, or minimum prices for services and products offered by Franchisee, which may vary depending on geographic and other market conditions. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.

- 12.8 Unapproved Item/Suppliers. If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to using such product, service or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to charge Franchisee a review fee of five hundred dollars (\$500) for evaluation, inspection and testing. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within thirty (30) days after Franchisor receives all required information to evaluate the product, service or supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.
- 12.9 External Quality Assurance Services. Franchisor reserves the right to establish and enforce quality assurance programs conducted by third-party providers or by Franchisor itself, including, but not limited to, customer surveys, periodic quality assurance audits, and inspections ("Quality Review Services"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall subscribe, to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.
- 12.10 Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards, operational procedures, or any other aspect of the franchise operation for some franchisees based upon the peculiarities and characteristics of the particular circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.
- 12.11 Employee Background Check. Franchisee shall conduct a background review of every prospective employee's criminal history and any other histories (such as motor vehicle and/or credit histories) that are required by state and local laws, regulations, and ordinances and/or that Franchisee determines to be necessary and appropriate, prior to hiring. Franchisee shall not hire any prospective employee for any position involving entrance on or into private property if such prospective employee's background review indicates, in Franchisee's sole discretion, a propensity for violence, dishonesty,

negligent, reckless, or careless behavior, or a conviction for any crime reasonably related to the prospective employee's employment. Notwithstanding the foregoing, all matters of employment and the safety of Franchisee's customers and their clients are within Franchisee's discretion and control. Franchisor shall not be liable to franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims, demands or actions against Franchisor arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for torts allegedly committed by any employee or agent of Franchisee). It is the intention of the parties to this Agreement that Franchisor shall not be deemed a joint employer with Franchisee for any reason; however, Franchisee will, at Franchisee's sole expense, defend, fully protect, indemnify and hold harmless Franchisor from any and all claims arising in any manner, directly or indirectly, out of or in connection with or incidental to the actions or omissions of Franchisee's employees or independent contractors or allegations that Franchisor are the joint employer of Franchisee's employees.

12.12 National Account Program. Franchisor may solicit business with locations in multiple geographic areas, including within Franchisee's Service Area, to participate in Franchisor's "National Account Program." Participation in a National Account Program is optional, but if Franchisee elects to so participate, Franchisee must abide by and comply with the rules of Franchisor's National Account Program by providing Services to National Account Program customers who have locations within the Service Area. Such rules may include requirements related to the types of Services to be performed, additional training, the pricing for the Services, the payment of any fees to Franchisor for additional training, administering the National Account Program, or referring customers, and a quality review by Franchisor of the Services Franchisee provides. These terms may vary depending upon the National Account Program customer. If Franchisee elects not to participate in a National Account Program, or if Franchisee fails to comply with the terms for the National Account Program or if Franchisor determines at any time that Franchisee has not provided a satisfactory level and quality of service to a customer under the National Account Program, then Franchisor or any affiliate of Franchisor may perform any future Services for, or Franchisor MAY appoint another franchisee to perform any future Services for, that customer's locations within the Franchisee's Service Area. Franchisor will have the right to solicit potential customers for the National Account Program within Franchisee's Service Area, including Franchisee's existing customers. Franchisee shall cooperate with and assist Franchisor as requested in such solicitation. Franchisor reserves the unilateral right to make participation in any National Account Program a mandatory part of the System, in which case Franchisee will be obligated to participate in such program.

13. ADVERTISING, PROMOTIONS AND RELATED FEES

13.1 Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the

collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

13.2 Grand Opening Advertising. You agree to conduct a grand opening advertising and promotional program (“Grand Opening Program”) for your Franchised Business during the thirty (30) days following the opening of your Franchised Business. The Grand Opening Program must target prospective customers throughout the Territory and meet the standards we establish from time to time. You must spend a minimum of fifteen thousand dollars (\$15,000) on the Grand Opening Program. The amounts you spend on the Grand Opening Program are in addition to the Brand Development Fund fees (defined below) that you must pay to us. Upon request by us, you must provide us with a report itemizing the amounts you spent on the Grand Opening Program. If you fail to spend the minimum required amount on the Grand Opening Program, we have the right to collect from you the difference between what you actually spent and the minimum required expenditure and contribute such difference to the Brand Development Fund (defined below).

13.3 Local Advertising.

13.3.1 Franchisor recommends, but does not require, that Franchisee spend eight percent (8%) to twelve percent (12%) of its Gross Revenue on local marketing.

13.3.2 Within ten (10) business days of Franchisor’s request, Franchisee shall provide a quarterly expenditure report accurately reflecting Franchisee’s Local Advertising expenditures for the preceding quarterly period.

13.4 Brand Development Fund.

13.4.1 Franchisor has established a national Brand Development Fund (the “Brand Development Fund”) on behalf of the System for national advertising, marketing, and brand development. Franchisee is required to contribute up to two percent (2%) of Gross Revenues to the Brand Development Fund (“Brand Development Fund Contribution”). Franchisor reserves the right to increase this amount up to three percent (3%). Payments will be made in the same manner and time as the Royalty Fees. If Franchisee fails to timely report Gross Revenue, then, in addition to a late fee and interest pursuant to Sections 6.2 and 6.3 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Brand Development Fund Contribution payable. Franchisor shall reconcile amounts when Gross Revenues are reported.

13.4.2. Franchisor shall direct the Brand Development Fund all advertising and marketing programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and

allocation thereof. Franchisee agrees and acknowledges that the Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.

- 13.4.3. Franchisor may, but has no obligation to, contribute to the Brand Development Fund on the same basis as Franchisee with respect to Order A Plumber outlets operated by Franchisor or Franchisor's affiliates.
- 13.4.4. Franchisor may use the Brand Development Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website; and personnel and other departmental costs for advertising that Franchisor internally administers or prepares).
- 13.4.5. The Brand Development Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Development Fund and such costs and expenses pursuant Section 13.3.4. Franchisor further reserves the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Development Fund contributions. The Brand Development Fund and its earnings shall not otherwise inure to Franchisor's benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor.
- 13.4.6. Franchisor will prepare an unaudited annual statement of the Brand Development Fund's operations and will make it available to Franchisee upon request. In administering the Brand Development Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.
- 13.4.7. Although the Brand Development Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Development Fund, however, until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

- 13.5 Regional Advertising. Franchisor reserves the right to establish, in Franchisor's sole discretion, a regional advertising cooperative. If a regional cooperative is established during the term of this Agreement, Franchisee agrees to sign all documents Franchisor requests to become a member of the cooperative according to the terms of the documents. If Franchisor establishes a regional cooperative, then, in addition to required Brand Development Fund Contributions, Franchisee agrees to contribute the amount determined by the cooperative members.
- 13.6 Directory Listings. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Twitter, LinkedIn, YouTube or any other social media and/or networking site without Franchisor's prior written approval and in strict accordance with Franchisor's requirements.
- 13.7 Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing, and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the Order A Plumber brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

14. INTELLECTUAL PROPERTY

14.1 Ownership.

- 14.1.1. Franchisee expressly understands and acknowledges that Order A Plumber, Inc. or its successor ("Licensor") is the record owner of the Marks and exclusively sublicenses the use of the marks to OAP Franchises, Inc. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Licensor claims copyrights on certain material used in the System, including but not limited to its website, documents, advertisements, promotional materials and the Manual, whether or not Franchisor has filed for

copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "Intellectual Property".

14.1.2. As between Franchisor and Franchisee, Licensor and Franchisor are the owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.

14.2 No Interference. Neither Franchisee nor any Principal shall, directly or indirectly, take any action that would prejudice, interfere with, or challenge the validity of Franchisor's or Licensor's rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's or Licensor's service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only at or from the Franchised Business location or in approved advertising related to the Franchised Business.

14.3 Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and Licensor, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.

14.4 Validity. Franchisee shall not contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property.

14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's or Licensor's rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor or Licensor with all assignments, affidavits, documents, information and assistance Franchisor or Licensor reasonably requests to fully vest in Franchisor or Licensor all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor or Licensor to register, maintain and enforce such rights in the Intellectual Property.

14.6 Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

14.7 Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:

14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks "Order A Plumber" and design. Franchisee shall not use the Marks, or any portions, variations, or derivatives thereof, as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of OAP Franchises, Inc.".

14.7.2. Franchisee shall identify itself as the owner of the Franchised Business and as an independent Order A Plumber franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous location upon the office and vehicle(s) used in the Franchised Business, as Franchisor may designate in writing.

14.7.3. Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.

14.7.4. Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.

14.8 Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.

14.9 Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different

from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.

14.10 Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity or corporation.

15. INSURANCE AND INDEMNIFICATION

15.1 Procurement. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, insurance policies protecting Franchisee and Franchisor, and naming Franchisor, its officers, directors, partners, owners, employees and affiliates as additional insureds as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Manual or otherwise in writing):

15.1.1. Liability. Comprehensive general liability insurance, including errors and omissions coverage and personal and advertising injury coverage, in the amount of at least One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate;

15.1.2. Employment. Worker's compensation coverage in the limits required by state law, and employee dishonesty insurance with third-party coverage in the amount of at least Ten Thousand Dollars (\$10,000.00), shall be carried on all of Franchisee's employees, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated;

15.1.3. Property. Fire, vandalism and extended coverage insurance with primary and excess limits of not less than Fifty Thousand Dollars (\$50,000.00) or such higher amount to cover the full replacement value of the equipment, fixtures, vehicles and inventory.

15.1.4. Business. Business interruption insurance in an amount no less than the greater of (i) One Hundred Thousand Dollars (\$100,000.00) or (ii) an amount necessary to satisfy Franchisee's obligations under this Agreement and any lease for the Franchised Business office for a minimum period of six (6) months.

15.1.5. Automobile Insurance. Prior to operation of any vehicle on behalf of the Franchised Business, Franchisee must obtain comprehensive automobile liability insurance in the amount of at least a combined single limit for bodily and property damage of Five Hundred Thousand Dollars (\$500,000.00), or greater if required by state law.

15.2 Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverages. In addition, if requested by Franchisor, Franchisee shall deliver to

Franchisor a copy of the insurance policy or policies required hereunder.

- 15.3 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with an administrative fee of ten percent (10%) for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.
- 15.4 Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types of coverage, Franchisee must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.
- 15.5 Additional Insured. All required insurance policies shall name Franchisor, Franchisor's parent company and their affiliates and their members, officers, agents and employees as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees.
- 15.6 Indemnification. OAP FRANCHISES, INC. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS OAP FRANCHISES, INC., ORDER A PLUMBER, INC., AND ANY OF THESE COMPANIES' PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "ORDER A PLUMBER INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S ORDER A PLUMBER® FRANCHISE, THE FRANCHISED BUSINESS, THE PRODUCTS, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO FRANCHISEE'S FRANCHISED BUSINESS, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL THE ORDER A PLUMBER INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY

FRANCHISEE HEREUNDER. THE ORDER A PLUMBER INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE ORDER A PLUMBER INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE ORDER A PLUMBER INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE ORDER A PLUMBER INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE ORDER A PLUMBER INDEMNITEES.

16. TRANSFERS

16.1 Transfers by Franchisor.

- 16.1.1 Franchisor shall have the absolute and unrestricted right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee's permission, consent, or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.
- 16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Franchisee acknowledges may be within the Protected Area, proximate thereto, or proximate to any of Franchisee's locations).
- 16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the plumbing business or to offer or sell any products or services to Franchisee.

- 16.2 Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principals of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.
- 16.3 Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor, which Franchisor may withhold at its sole discretion. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:
- 16.3.1 The proposed transferee and all its principals must have the demeanor, and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees.
 - 16.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;
 - 16.3.3 The transferee has agreed to complete Franchisor's Initial Management Training Program to Franchisor's satisfaction;
 - 16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors;
 - 16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;
 - 16.3.6 Franchisee, the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against any and all claims by the transferee relating to misrepresentations in the

transfer process, including those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

16.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and

16.3.8 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor.

16.4 Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to Ten Thousand Dollars (\$10,000) for each Service Area to be transferred.

16.5 Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

16.6 Franchisor's Right of First Refusal.

16.6.1 If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

16.6.2 Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.

16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii)

at Franchisor's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor's credit will be deemed equal to the credit of any proposed transferee; (vi) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

16.7 Death or Permanent Disability The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, the executor, administrator, conservator or other personal representative of Franchisee or Principal, as the case may be, shall be required to transfer Franchisee's or Principal's interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by Franchisor. Failure to transfer in accordance with the forgoing will constitute a material default and the Franchise granted by this Agreement will terminate. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management for a fee equal to the then-current interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.

16.8 Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.

16.9 Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets

and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions.

Notwithstanding the foregoing, in the event Franchisee obtains a loan (an "SBA Loan") from a lender (the "Lender") in which funding is provided with the assistance of the United States Small Business Administration ("SBA"), Franchisee shall be permitted to grant Lender and/or SBA a senior lien on any Uniform Commercial Code collateral Franchisee uses to secure the SBA Loan, and Franchisor agrees to subordinate its interest in any lien on Franchisee's Uniform Commercial Code collateral to that of the Lender and/or SBA as the case may be.

17. DEFAULTS

17.1 Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee or Principal shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee or Principal files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing an inability to pay debts when due; or if Franchisee or Principal is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee or Principal under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or Principal or other custodian for Franchisee's business or assets is filed and consented to by Franchisee or Principal; or if a receiver or other custodian (permanent or temporary) of Franchisee's or Principal's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee or Principal; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's or Principal's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

17.2 Defaults with No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.2.1 fails to obtain all required licenses and permits before opening or open the Franchised Business within the time and in the manner specified in Article 8.

- 17.2.2 falsifies any report required to be furnished Franchisor hereunder;
- 17.2.3 ceases to operate the Franchised Business for a period of five (5) days or more;
- 17.2.4 fails to comply with any federal, state or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;
- 17.2.5 understates Gross Revenue on two (2) occasions or more, whether or not cured on any or all of those occasions;
- 17.2.6 fails to comply with the covenants in Article 15;
- 17.2.7 permits a Transfer in violation of the provisions of Article 16 of this Agreement;
- 17.2.8 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.
- 17.2.9 has misrepresented or omitted material facts in applying for the Franchise;
- 17.2.10 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything to harm the reputation of the System or the goodwill associated with the Marks;
- 17.2.11 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;
- 17.2.12 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;
- 17.2.13 creates a threat or danger to public health or safety from operation of the Franchised Business;
- 17.2.14 refuses to permit Franchisor to inspect or audit Franchisee's books or records;
- 17.2.15 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);
- 17.2.16 fails to comply with the non-competition covenants in Section 19.5;

17.2.17 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or any renewals or has been given at least two (2) notices of default in any consecutive twelve (12)-month period, whether or not the defaults have been corrected;

17.2.18 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;

17.2.19 defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, or suppliers and does not cure such default within the time period provided in such other agreement;

17.2.20 fails to meet Minimum Performance Standards; or

17.2.21 terminates this Agreement without cause.

17.3 Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Sections 17.2.17 and/or 17.2.18;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 17.2.17.

17.4 Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

17.4.1 effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or

17.4.2 exercise complete authority with respect to the operation of the Franchise Business until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business. In addition to all other fees payable under this Agreement, Franchisee shall pay Franchisor a fee for interim management equal to the then-current interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, until the default has been cured and Franchisee is complying with the terms of this Agreement.

17.5 Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee, to direct suppliers to stop furnishing any and all products and services, including, but not limited to products and services sold under Franchisor's discounted pricing schedules, until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.

18. POST-TERMINATION

18.1 Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal shall:

18.1.1 immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly identify himself, herself or itself as a current Order A Plumber owner, franchisee or licensee;

18.1.2 immediately and permanently cease to use the Marks, any imitation of any Mark, Franchisor's copyrighted material or other intellectual property, confidential or proprietary material or indicia of the Franchised Business, or use any trade name, trade or service mark or other commercial symbol that suggests an association with Franchisor, Licensor, or the System. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms and any other articles, which display the Marks;

18.1.3 take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;

- 18.1.4 promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory or other business assets owned by Franchisee at the time of default;
- 18.1.5 pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;
- 18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, all confidential, proprietary and copyrighted material and all other materials related to operation of the Franchised Business, including but not limited to customer lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law; and
- 18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19.
- 18.1.8 in the event this Agreement is terminated due to Franchisee's default, pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to: (a) the average weekly Royalty Fee and Brand Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) thirty-six (36) months or (ii) the number of months then remaining in the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18.2. Right to Purchase.

- 18.2.1 Upon termination or expiration of this Agreement, Franchisor shall have the option, to be exercised within thirty (30) days, to purchase from Franchisee any or all of the equipment (including any computer systems and vehicles), signs, fixtures, advertising materials, supplies, and inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens,

charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by both parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2 With respect to the option described in Section 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3 Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.3 Assignment of Communications. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.6, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses, social media accounts or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

18.4 Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS

19.1 Operations Manual.

- 19.1.1 Franchisor has provided to Franchisee, on loan, a current copy of the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.
- 19.1.2 Franchisee and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee's Principals shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms and conditions under which it is permitted to use Franchisor's intellectual, proprietary and confidential information; and shall ensure its employees' compliance with such restrictions, terms and conditions. Franchisee, Franchisee's Principals, and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.
- 19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies, and return and cease using any physical copy of the Manual and other confidential and

proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.

19.1.4 Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.

19.1.5 If Franchisee loses, misplaces or otherwise requests a physical copy of the Manual, Franchisor, in its discretion, may provide such physical copy and Franchisee shall pay Franchisor the then-current replacement fee.

19.2 Confidential Information. Franchisee along with its Principals acknowledge and accept that during the term of this Agreement, Franchisee and any Principal will have access to Franchisor's trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, costs, pricing, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenant in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

19.3 Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.

19.4 New Concepts. If Franchisee or any Principal develops any new concept, process, product, service, or improvement in the operation or promotion of the Franchised Business (“Improvements”), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and any Principal acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate.

19.5 Noncompetition Covenants. Franchisee and each Principal specifically acknowledge that, pursuant to this Agreement, Franchisee and each Principal will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, each Principal and Franchisee’s General Manager and employees. Franchisee and each Principal acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and each Principal covenant that, except as otherwise approved in writing by Franchisor:

19.5.1 During the term of this Agreement, Franchisee and each Principal shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise or (ii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iii) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Order A Plumber franchisees or Franchisor-affiliated outlets.

19.5.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principals shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business, Franchisor or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise (ii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iii) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Order A Plumber franchisees.

- 19.6 Reasonableness of Restrictions. Franchisee and each Principal acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair, reasonable, and necessary for the protection of the legitimate business interests of the Franchisor, and will not impose any undue hardship on Franchisee or Principals, if any, since Franchisee or Principals, as the case may be, have other considerable skills, experience and education which afford Franchisee or Principals, as the case may be, the opportunity to derive income from other endeavors.
- 19.7 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.
- 19.8 Injunction. Franchisee and each Principal acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and each Principal hereby consents to the entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.
- 19.9 No Defense. Franchisee and each Principal expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.
- 19.10 Covenants of Employees, Agents and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's employment with Franchisee) from the General Manager if applicable and all employees, contractors or third persons who will have access to Franchisor's confidential and proprietary information. Such covenants shall be substantially in the form set forth in Attachment 7 as revised and updated from time to time and contained in the Manual.

20. DISPUTE RESOLUTION

- 20.1 Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 21.7 below, Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of

disputes internally shall survive termination or expiration of this Agreement.

- 20.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.
- 20.3 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the State of New York. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of New York. Franchisee and its Principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in New York. Franchisee, and its Principals, hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.
- 20.4 Mutual Benefit. Franchisee, each Principal, if any, and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.3 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principals, and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.
- 20.5 Waiver of Jury Trial and Certain Damages. Franchisee and each Principal hereby unconditionally and irrevocably waive, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Franchisee and each Principal further acknowledge that this waiver is a material inducement to the agreement of Franchisor to enter into a business relationship with Franchisee and each Principal, and Franchisor has already relied on this waiver in entering into this Agreement. Each of Franchisee and Principals agree that in the event of a dispute,

Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.

- 20.6 Injunctive Relief. Nothing herein contained (including, without limitation, Sections 20.1 through 20.3 above) shall bar Franchisor from the right to obtain immediate injunctive relief from any court of competent jurisdiction against threatened conduct by Franchisee that may cause Franchisor loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.
- 20.7 Limitations of Claims. Any and all claims arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims.
- 20.8 Attorneys' Fees. In the event of any action in law or equity by and between Franchisor and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees, court costs, and any other associated costs incurred.
- 20.9 Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

21. GENERAL

- 21.1 Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership, joint venture, employer-employee or agency relationship shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorney's fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs or judgments against Franchisor arising out of any allegation of an agent, partner or employment relationship.
- 21.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principals in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.

- 21.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.
- 21.4 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except the representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.
- 21.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principals shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one person is so named.
- 21.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.
- 21.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.
- 21.8 Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than in the Protected Area shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Protected Area.
- 21.9 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case

of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Articles 17 and 18 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

21.10 Consent to Do Business Electronically. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of New York, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement, and by attaching their digital signature, including any DocuSign signature, to the Franchise Agreement, they are executing the document and intending to attach their digital signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on a digital signature, including a DocuSign signature, as the respective party's signature.

21.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

21.12 Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

22. ACKNOWLEDGMENTS

Franchisee shall acknowledge the truthfulness of the statements contained in Attachment 1 hereto. Franchisee's acknowledgements are an inducement for us to enter into this Agreement. Franchisee shall immediately notify us, prior to acknowledgment, if any statement in Attachment 1 is incomplete or incorrect.

[Remainder of page intentionally left blank]

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

FRANCHISOR:

OAP Franchises, Inc.

By:_____

Kenny Schwamb, President
(Print Name, Title)

FRANCHISEE:

By:_____

_____, _____
(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

ATTACHMENT 1

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

DO NOT SIGN THIS COMPLIANCE CERTIFICATION IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

Franchisee hereby acknowledges the following:

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

Initial

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

Initial

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

Initial

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

Initial

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

Initial

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

Initial

7. Franchisee acknowledges that it has received the OAP Franchises, Inc. Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

Initial

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

Initial

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

Initial

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

Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not

warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE OAP FRANCHISES, INC. AND ANY PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL APPLY TO ANY AND ALL CLAIMS, INCLUDING THOSE ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.

Initial

FRANCHISEE:

By: _____

_____,
(Print Name, Title)

Date: _____

PRINCIPAL:

(Print Name)

Date: _____

PRINCIPAL:

(Print Name)

Date: _____

ATTACHMENT 2

Character Mark –

Order A Plumber

Service Mark –



ATTACHMENT 3

TERRITORY DESCRIPTION AND INITIAL FEE

Territory (insert map and/or define by zip codes): TERRITORY AND ADDRESS TO BE DETERMINED AND INSERTED AFTER A[N] [CONCEPT] PREMISES IS IDENTIFIED BY FRANCHISEE AND APPROVED BY FRANCHISOR, IN ACCORDANCE WITH SECTION 8.1 OF THE FRANCHISE AGREEMENT, IN THE SITE SEARCH AREA OF _____.)

Franchised Business Address:

ATTACHMENT 4

GENERAL RELEASE

____ (“Franchisee”) and its principal(s):

(a) Franchisee and Franchisee’s Principal(s) do, for themselves and their successors and assigns, hereby release and forever discharge generally Franchisor and any affiliate, wholly owned or controlled limited liability company, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, agent, executor, administrator, estate, trustee or heir of any of them (the “Released Franchisor Party”), from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Franchisee or Franchisee’s Principal(s) may now have, or may hereafter claim to have or to have acquired of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and antitrust statutes, rules or regulations, in any way arising out of or connected with the Franchise Agreement or this General Release, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against any Released Franchisor Party, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this General Release. In the event Franchisee or Franchisee’s Principal(s) breaches any of the promises, covenants, or undertakings made herein by any act or omission, Franchisee and Franchisee’s Principal(s) shall pay, by way of indemnification, all costs and expenses of any Released Franchisor Party caused by the act or omission, including reasonable attorneys’ fees and costs.

(b) Franchisee and Franchisee’s Principal(s) represent and warrant that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Franchisee or Franchisee’s Principal(s) to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand, or suit shall be made or institute against any Released Franchisor Party because of any such purported assignment, transfer or subrogation, Franchisee and Franchisee’s Principal(s) agree to indemnify and hold such Released Franchisor Party free and harmless from and against any such claim, demand, or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

(c) THIS RELEASE IS A GENERAL RELEASE AND THE PARTIES INTEND AND AGREE THAT IT SHALL BE INTERPRETED, CONSTRUED AND ENFORCED AS SUCH.

(d) Franchisee and Franchisee’s Principal(s) acknowledge, warrant, and represent that no promises, representations, or inducements, except as set forth in this General Release, have been offered or made by any Franchisor Released Party to secure the execution of this General Release, and that this General Release is executed without reliance on any statements or any representations not contained herein. Franchisee and Franchisee’s Principal(s) knowingly waive (1) any claim that this General Release was induced by any misrepresentation or nondisclosure, and (2) any right to rescind or avoid this General Release based upon presently existing facts, known or unknown.

FRANCHISEE AND FRANCHISEE'S PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. Franchisee and Franchisee's Principal(s) also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Released Franchisor Party with respect to any Franchisee Released Claim. Franchisee and Franchisee's Principal(s) shall defend, indemnify, and hold harmless each of Franchisor Releasees against same, including but not limited to, any and all costs, expenses, damages, liabilities, legal fees, and other costs arising out of or relating to such suit, action, proceeding, demand, or claim.

Executed as of _____, 20__.

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

ATTACHMENT 5

STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE

Name

Percentage of Ownership

ATTACHMENT 6

GUARANTY

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on _____ to OAP Franchises, Inc. a New York Corporation (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated of even date herewith (the “Franchise Agreement”) with _____, a(n) _____ and _____ (collectively “Franchisee”).

Guarantor acknowledges that Guarantor is the spouse of Franchisee’s Principal, as that term is used in the Franchise Agreement.

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

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement (“Guaranteed Obligations”). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

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

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

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

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

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

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

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

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

Print Name: _____

ATTACHMENT 7

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the “Agreement”) is made and entered into this day of _____, by _____, a(n) _____ (“Franchisee”), a franchisee of OAP Franchises, Inc. a New York corporation (“Franchisor”), and _____, an individual (“Covenantor”) in connection with a Franchise Agreement dated.

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated _____ (the “Franchise Agreement”), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the registered trademark “Order A Plumber” and design mark, and certain proprietary products, services, promotions and methods (the “System”) for the establishment and operation of an Order A Plumber franchise (the “Franchised Business”);

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the Order A Plumber operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as “Confidential Information”);

WHEREAS, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

WHEREAS, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Confidentiality Agreement.

a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

b. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor’s express written permission.

c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

d. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

f. Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

2. Covenants Not to Compete.

a. In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business or of other Order A Plumber franchisees in the System to any competitor, by direct or indirect inducement or otherwise.

b. In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business or of other franchisees in the Order A Plumber to any competitor, by direct or indirect inducement or otherwise.

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

3. General.

a. Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

b. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a

decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

c. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

d. Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE FRANCHISED BUSINESS IS LOCATED. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF SUCH STATE. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY THE LAWS OF SUCH STATE OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE STATE OF WHERE THE FRANCHISED BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

f. The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

g. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

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

i. All notices and demands required to be given hereunder shall be in writing, and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

If directed to Covenantor:

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

j. Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

k. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

The undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

By: _____

Name: _____

Title: _____

COVENANTOR:

Name: _____

ATTACHMENT 8

INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE ACCOUNT AGREEMENT (the “Agreement”) is made and entered into this day of _____ (the “Effective Date”) by and between OAP Franchises, Inc., a New York Corporation (the “Franchisor”), and _____, a _____ (the “Franchisee”).

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for an Order A Plumber business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, software accounts, and use telephone listings linked to the Order A Plumber brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 **Interest in Websites, Social Media Accounts and Other Electronic Listings.** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, “Electronic Advertising”) related to the Franchised Business or the Marks.

2.2 **Interest in Telephone Numbers and Listings.** Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 **Transfer.** On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media companies, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Electronic Advertising: (i) to transfer all of Franchisee’s interest in such Electronic

Advertising to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising or will take such other actions with respect to the Electronic Advertising as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee’s interest in and to the Electronic Advertising to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising;

2.4.2 Direct the Telephone Companies to transfer all Franchisee’s interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee’s interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor’s written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee’s interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly

accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 **Release.** Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 **Indemnification.** Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 **No Duty.** The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 **Further Assurances.** Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 **Successors, Assigns, and Affiliates.** All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 **Effect on Other Agreements.** Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 **Survival.** This Agreement shall survive the Termination of the Franchise Agreement.

3.8 **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of New York, without regard to the application of New York conflict of law rules.

[Remainder of page intentionally left blank]

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

OAP Franchises, Inc.

By: _____

Kenny Schwamb, President
(Print Name, Title)

FRANCHISEE:

By: _____

_____, _____
(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

ATTACHMENT 9

AUTHORIZATION AGREEMENT AUTOMATIC DEPOSITS (ACH WITHDRAWALS)

Franchisor Name: **OAP Franchises, Inc.**

I (We) hereby authorize OAP Franchises, Inc., hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

Financial Institution Name: _____ Branch: _____

City: _____ State: _____ Zip: _____ Phone: _____

ACH/Routing Number: _____ Account Number: _____
(Nine Digits)

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 6 and 18 of the Franchise Agreement.

Print Franchisee / Account Holder Name

Print Franchisee/Co-Account Holder Name

Franchisee/ Account Holder Signature-Date

Franchisee/Co-Account Holder Signature-Date

Daytime Phone Number

Email Address

PLEASE ATTACH A VOIDED CHECK TO THIS FORM

Please Return Form to:

OAP Franchises, Inc.

2871 Sunrise Hwy
Islip Terrace, NY 11752

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPER AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Agreement") is being entered into this day of _____, (the "Effective Date") by and between OAP Franchises, Inc., a New York limited liability company with its principal place of business at 2871 Sunrise Hwy Islip Terrace NY 11752 (herein "Franchisor") and _____, a(n) _____, with its principal place of business located at _____ and _____'s principals _____, an individual residing at _____ and _____, an individual residing at _____ ("Principal(s)"). _____ and Principal(s) shall be collectively referred to in this Agreement as the "Developer". If more than one person or entity is listed as Area Developer, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Agreement.

RECITATIONS

We and our affiliate have designed and developed a method of developing and operating businesses ("Order A Plumber Businesses"), that provide a variety of approved residential and commercial drywall repair and finishing services (the "Services"), and sales of approved supplies, materials, equipment and other products (the "Products") under the mark Order A Plumber and related service marks, trademarks, logos and trade names (collectively the "Marks") and using Franchisor's unique system for operating the business and related licensed methods of doing business ("System"). The Order A Plumber Business have distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which we may improve, further develop and otherwise modify from time to time. Our system (the "System") includes, but is not limited to, uniform formats, designs, systems, methods, specifications, standards and procedures, all of which may be changed, updated, improved and further developed by us from time to time;

We and our affiliates have developed and use, promote and license certain trademarks, service marks and other commercial symbols in operating Order A Plumber Businesses, including the mark "Order A Plumber," which has gained and will continue to gain public acceptance and goodwill, and we may create, use and license other trademarks, service marks and commercial symbols for use in operating Order A Plumber Businesses (collectively, the "Marks");

We and our affiliates continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service;

You wish to obtain certain development rights to open and operate Order A Plumber Businesses operating under the Marks under the System within the Development Area described in this Agreement; and

In addition to this Agreement, we and you have entered into a franchise agreement on the same date (“Initial Franchise Agreement”) for the right to establish and operate the first Order A Plumber Business to be developed by you under this Agreement (“Initial Business”).

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:

1. GRANT

- 1.1 We hereby grant to you, pursuant to the terms and conditions of this Agreement, certain development rights (“Development Rights”) to establish and operate the number of Order A Plumber Businesses identified in Attachment “A”, and to use the System solely in connection therewith at specific locations to be designated in separate franchise agreements executed as provided in Section 3.1 hereof, and pursuant to the schedule established in Attachment “C” of this Agreement (“Development Schedule”). Each Order A Plumber Business developed hereunder shall be located in the area described in Attachment “B” of this Agreement (“Development Area”). Enclosed malls, institutions (including but not limited to hospitals), colleges, universities, train stations, bus stations, airports, parks (including but not limited to theme parks), sports arenas, convention centers, and other facilities or venues where events are scheduled, are expressly excluded from the Development Area.
- 1.2 The Initial Franchise Agreement shall be executed and delivered, concurrently with the execution and delivery of this Agreement. Each subsequent Order A Plumber Business for which a Development Right is granted hereunder shall be established and operated pursuant to the form of franchise agreement then being used, which is to be entered into between you and us in accordance with Section 3 hereof. You acknowledge that the then-current form of franchise agreement may differ from the Initial Franchise Agreement, except that each shall have the same royalty rate as the Initial Franchise Agreement.
- 1.3 Except as otherwise provided in this Agreement, we shall not establish, nor franchise anyone other than you to establish, a Order A Plumber Business in the Development Area during the term of this Agreement, provided you are not in default hereunder.
- 1.4 This Agreement is not a franchise agreement and does not grant to you any right to use the Marks or System unless a franchise agreement is in effect.
- 1.5 You shall have no right under this Agreement to franchise others under the Marks or System.

2. **DEVELOPMENT FEE.** In consideration of the Development Rights granted herein, you shall pay to us a development fee (“Development Fee”) in the amount set forth in Attachment “A” of this Agreement, depending on the total number of Order A Plumber Businesses you have agreed to develop. The Development Fee is payable in a lump sum

upon execution of this Agreement and is not refundable under any circumstances, regardless of whether you open any of the Order A Plumber Businesses under this Agreement.

3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

- 3.1 You shall assume all responsibility and expense for locating potential sites for Order A Plumber Businesses. You shall obtain our written acceptance of any proposed site for the Order A Plumber Business in accordance with our procedures, which acceptance will not be unreasonably withheld. Unless we provide our specific acceptance of your proposed site, the site is deemed unaccepted. Unless we provide our specific acceptance of a proposed site, the site is deemed not accepted.
- 3.2 Recognizing that time is of the essence, you agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and to satisfy the Development Schedule in a timely manner. Your failure to adhere to the Development Schedule, will constitute a material event of default under this Agreement for which we may exercise its rights under Section 9.1 and 9.2 of this Agreement. Under no circumstances, however, may you open a Order A Plumber Business unless and until there is a fully executed franchise agreement in place for such Order A Plumber Business and you have complied with all requirements under the franchise agreement for opening such Order A Plumber Business.
- 3.3 You shall exercise each Development Right granted herein only by executing a franchise agreement for each Order A Plumber Business at a site accepted by us in the Development Area. The Initial Franchise Agreement for the first Development Right exercised hereunder has been executed contemporaneously with this Agreement. The franchise agreement for each additional Development Right exercised hereunder shall be the then-current franchise agreement. We will have the number of days listed in the franchise agreement after we receive all needed information to accept or reject your proposed site for each Order A Plumber Business. For each accepted Order A Plumber Business site, you must execute the then-current franchise agreement and return it to us within fourteen (14) days after your receipt of said franchise agreement. In the event we do not receive the properly executed franchise agreement within said fourteen (14) days from delivery thereof to you, our acceptance of the site shall be void, you shall have no rights with respect to said site and you shall be in default under this Agreement.
- 3.4 You acknowledge that our acceptance of a particular site for a Order A Plumber Business by us shall not be deemed to be an assurance or guaranty that the Order A Plumber Business will operate successfully or at a profit from such site.

4. DEVELOPMENT RIGHTS AND OBLIGATIONS

- 4.1 Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Section 1.1.

- 4.2 Provided you are in full compliance with all the terms and conditions of this Agreement, including without limitation your development obligations described in Section 3.2, and you are in full compliance with all of your obligations under all franchise agreements executed pursuant to this Agreement, then during the term of this Agreement neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Order A Plumber Businesses within the Development Area, except the franchises that are granted to you pursuant to this Agreement and except as otherwise expressly provided in this Agreement. You acknowledge that that the Development Area may already include existing Order A Plumber Businesses, and that you may not develop a Order A Plumber Business that infringes on the territorial rights of a then-existing Order A Plumber Businesses.
- 4.3 Upon the termination or expiration of this Agreement: (a) you shall have no further right to construct, equip, own, open or operate additional Order A Plumber Businesses which are not, at the time of such termination or expiration, the subject of a then-existing franchise agreement between you and us, which is then in full force and effect; and (b) we and our affiliates shall have the unrestricted right to develop and operate, and to grant to others development rights and franchises to develop and operate, Order A Plumber Businesses within the Development Area, subject to any territorial rights previously granted to you with respect to Order A Plumber Businesses operated by you pursuant to the franchise agreements.
- 4.4 Except as expressly limited by Section 3.2 above, we and our affiliates retain all rights with respect to Order A Plumber Businesses, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:
- 4.4.1 to offer and sell and to grant others the right to offer and sell the products and services offered at Order A Plumber Businesses, within or outside the Development Area, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate;
 - 4.4.2 to own, franchise, establish and license to others to establish or operate Order A Plumber Businesses at any location outside the Development Area and on any terms and conditions we deem appropriate and regardless of proximity to your Order A Plumber Businesses;
 - 4.4.3 to use the Marks and the System to sell any products or services, similar to those which you will sell, through any alternate channels of distribution within or outside of the Development Area. This includes, but is not limited to, other channels of distribution such as catalog sales, fairs, expos, pet shows and the like, telemarketing or other direct marketing sales or over the Internet (together, the “Alternative Distribution Channels”). You may not use Alternative Distribution Channels to make sales outside or inside your

Development Area and you will not receive any compensation for our sales through Alternative Distribution Channels;

- 4.4.4 to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, whether franchised or corporately owned, including a business that competes directly with your Order A Plumber Businesses, wherever located; provided that in such situations, the newly acquired businesses may not operate under the Marks in the Development Area;
- 4.4.5 the right to implement multi-area marketing programs, which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs; and
- 4.4.6 to engage in any other business activities not expressly prohibited by the Agreement, both within and outside your Development Area.
We are not required to pay you if we exercise any of the rights specified above within the Development Area. We do not pay compensation for soliciting or accepting orders inside the Development Area.

5. **RENEWAL.** There is no renewal period. Upon expiration of this Agreement you may enter into our then-current area development agreement, subject to our approval and availability.

6. **TERM.** Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the earlier of: (a) the termination date listed on Section 2 of Attachment “C”; or (b) completion of the obligations of the Development Schedule.

7. **YOUR OBLIGATIONS**

7.1 You acknowledge and agree that:

- 7.1.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Order A Plumber Business and to submit the same to us for our acceptance in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Order A Plumber Businesses within the Development Area. You shall obtain the license to use such additional rights at each Order A Plumber Business upon the execution of each franchise agreement by both you and us and only in accordance with the terms of each franchise agreement.

- 7.1.2 The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section 11 hereof. The provisions of this Section 7.1.2 shall not restrict you from transferring an open and operating Order A Plumber Business in compliance with the assignment provisions contained in such Order A Plumber Business' franchise agreement.
- 7.1.3 You have sole responsibility for the performance of all obligations arising out of the operation of your Order A Plumber Businesses developed under this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.
- 7.1.4 In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your Order A Plumber Business and that the operations of said Order A Plumber Business are separate and distinct from the operation of your business as an area developer.
- 7.1.5 You shall, at all times, preserve in confidence any and all materials and information furnished or disclosed to you by us and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.
- 7.1.6 You shall comply with all requirements of federal, state and local laws, rules and regulations.
- 7.1.7 You shall at no time have the right to sub-franchise any of your Development Rights hereunder.
- 7.1.8 In no event shall any Order A Plumber Business be opened for business unless and until a franchise agreement for such Order A Plumber Business has been fully executed, all applicable fees (including, but not limited to, the initial franchise fee for such Order A Plumber Business) have been paid, and you have complied with all of the requirements under the franchise agreement for opening such Order A Plumber Business.

8. OUR SERVICES. We shall, at our expense, provide the following services:

- 8.1 Review your site selection for conformity to our standards and criteria for selection and acquisition of sites upon our receipt of your written request for acceptance thereof.

- 8.2 Provide you with standard specifications and layouts for the interior and exterior design, improvements, equipment, furnishings, décor and signs identified with the Order A Plumber Businesses as we make available to all area developers and franchisees from time to time.
- 8.3 Review of your site plan and final build-out plans and specifications for conformity to the construction standards and design specifications of the System, upon our receipt of your written request for acceptance thereof.
- 8.4 Provide on-site evaluations as we deem necessary, and such other resources and assistance as may hereafter be developed and offered by us to our other area developers in our sole discretion.

9. DEFAULT AND TERMINATION

- 9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement immediately shall be terminated in accordance with the provisions of any such law:
 - 9.1.1 If you shall, in any respect, fail to comply with the Development Schedule.
 - 9.1.2 If you shall purport to effect any assignment in violation of Section 11 of this Agreement.
 - 9.1.3 If you make, or have made, any material misrepresentation to us in connection with obtaining this Agreement, any site approval hereunder, or any franchise agreement.
 - 9.1.4 If you default in the performance of any obligation under any franchise agreement with us, provided such default results in the termination of the franchise agreement.
 - 9.1.5 If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of any Order A Plumber Business developed under this Agreement, and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.
 - 9.1.6 If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general

assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); if you are dissolved; if execution is levied against you or your property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if your real or personal property shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.7 If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the Order A Plumber Businesses opened pursuant to the terms of this Agreement.

9.1.8 If you, or any shareholder or principal, fail to maintain the financial capacity and necessary skills and experience to meet the Development Requirements and timely develop and operate the Order A Plumber Businesses required to be opened and operated under this Agreement based upon criteria established by us from time to time.

9.2 Upon occurrence of any of the events stated in this Section 9.2, we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1 If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property except pursuant to, and in accordance with, a valid and effective franchise agreement.

9.2.2 If you, or persons controlling, controlled by or under common control with you, shall have any interest, direct or indirect, in the ownership or operation of any Competitive Business (as defined in Section 12 below).

9.2.3 If you shall fail to remit to us any payments pursuant to Section 2 when same are due.

9.2.4 If you shall begin work upon any Order A Plumber Business at any site unless all the conditions stated in Section 3 hereof have been met.

- 9.2.5 If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.
- 9.2.6 If you open any Order A Plumber Business for business before a franchise agreement for such Order A Plumber Business has been fully executed and the payments due to us pursuant to Section 2 have been paid.
- 9.2.7 If you default in the performance of any other obligation under this Agreement.

10. OBLIGATIONS FOLLOWING TERMINATION

- 10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:
 - 10.1.1 To cease immediately any attempts to select sites on which to establish Order A Plumber Businesses.
 - 10.1.2 To cease immediately to hold yourself out in any way as an area developer of ours or to do anything which would indicate a relationship between you and us.
- 10.2 No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

11. TRANSFER OF INTEREST

- 11.1 We shall have the absolute right to transfer or assign all or any part of our rights or obligations hereunder to any person or legal entity which assumes its obligation under this Agreement and we shall thereby be released from any and all further liability to you.
- 11.2 The Area Developer is prohibited from assigning this Agreement or any rights to the Development Area without prior written consent from the Franchisor. The provisions of this Section shall not restrict Area Developer from transferring an open and operating Order A Plumber Business in compliance with the assignment provisions contained in such Order A Plumber Business' franchise agreement.

12. COVENANTS

- 12.1 You specifically acknowledge that, pursuant to this Agreement, you will receive valuable training and confidential information, including, without limitation, System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of Order A Plumber Businesses, the terms of this Agreement, the Order A Plumber Business franchise operations manual, and

graphic designs and other intellectual property. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you and persons controlling, controlled by or under common control with you shall not, either directly or indirectly, for yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

- 12.1.1 Divert or attempt to divert any business or client of the Order A Plumber Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.
- 12.1.2 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any business other than a Order A Plumber Business (including any Order A Plumber Business operated by you prior to entry into this Agreement), which business is of a character and concept similar to the Order A Plumber Business, including a business that is similar to a Order A Plumber Business, including a business where five percent (5%) or more of its sales include drywall repair services and products or any services or products similar to those offered by Franchisee or that are part of the Order A Plumber system (a “Competitive Business”).
- 12.2 You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous and uninterrupted period of two (2) years commencing upon the expiration or termination of this Agreement (and, in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Competitive Business which is located within one hundred (100) miles of any Order A Plumber Business in the System.
- 12.3 Subsections 12.1.3 and 12.2 of this Section shall not apply to ownership by you of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is registered and publicly traded under the Securities Exchange Act of 1934.
- 12.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 12 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

- 12.5 You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant stated in Sections 12.1 and 12.2 or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof, and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 16 hereof.
- 12.6 You expressly agree that the existence of any claim you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section 12.
- 12.7 You acknowledge that any failure to comply with the requirements of this Section 12 would cause us irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to our seeking injunctive and other equitable relief, without the need of bond, and without first requesting mediation or arbitration against you, from any state or federal court within the jurisdiction in which we have our principal place of business (currently New York), or in any other state or federal district court of competent jurisdiction. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement or otherwise. You consent to the exercise of personal jurisdiction over you by these courts, and to the propriety of venue in these courts with respect to the entry of these temporary and permanent injunctions.
- 12.8 At our request, you shall require and obtain the execution of covenants similar to those described in this Section 12 (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons:
- 12.8.1 All managers of yours who have received training from us;
- 12.8.2 All officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of you and of any entity directly or indirectly controlling you, if you are a corporation or limited liability company; and
- 12.8.3 The general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if you are a partnership. Each covenant required by this Section 12.8 shall be in a form satisfactory to us, including, without limitation, specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required by this Section 12.8 shall constitute a default under Section 9 hereof.
- 12.9 During the term of this Agreement, an officer or agent of ours shall have the right to inspect any Order A Plumber Business in which you have an interest at

reasonable times and during normal business hours to the extent reasonably necessary to determine whether the conditions of this Section 12 are being satisfied. If, by reason of such inspections or otherwise, we have reason to believe that you are not in full compliance with the terms of this Section, we shall give notice of such default to you, specifying the nature of such default. If you deny that you are in default hereunder, as specified by us, you shall bear the burden of proving that such default does not exist and must notify us of your position within ten (10) days of receiving our notice. Unless you so deny such default, you shall immediately take all steps to cure said default in a manner satisfactory to us.

- 13. NOTICES.** Any and all notices required or permitted under this Agreement will be in writing and will be deemed to have been duly given upon the earlier of (i) when received (or first rejection); (ii) one (1) business day after placement with a reputable national overnight carrier; or (iii) three (3) business days after deposit (not including the day of deposit), if placed in the mail for delivery by certified mail, postage pre-paid, and, in the cases of clauses (ii) or (iii), addressed to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: OAP Franchises, Inc.
 2871 Sunrise Hwy
 Islip Terrace NY 11752

Notices to you: Notice Address set forth in Attachment "A" of this Agreement

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

- 14.1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.
- 14.2 You shall hold yourself out to the public to be an independent contractor operating pursuant to this Agreement. You agree to take such actions as shall be necessary to that end.
- 14.3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our affiliates, and

our respective shareholders, directors, officers, employees, agents, representatives, successors and assigns (the “Indemnified Parties”) from and against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, obligations and damages directly or indirectly arising out of the business you conduct under this Agreement, your violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander or any other form of defamation by you, or your breach of this Agreement. For purposes of this indemnification, “claims” include all obligations, damages (actual, consequential, punitive or otherwise) and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants’, arbitrators’, attorneys’ and expert witness fees, costs of investigation and proof of facts, court costs, and other expenses of litigation, arbitration or alternative dispute resolution, including travel and living expenses, regardless of whether litigation, arbitration or alternative dispute resolution is commenced.

Each Indemnified Party may defend and control the defense of any claim against it which is subject to this indemnification at your expense, and you may not settle any claim or take any other remedial, corrective or other actions relating to any claim without our consent. Additionally, an Indemnified Party may, at any time, settle any claim against it for which it is entitled to seek indemnity, and you shall reimburse the Indemnified Party for any amount that the Indemnified Party paid under the settlement terms. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. An Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you.

15. APPROVALS

- 15.1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.
- 15.2 We make no warranties or guaranties upon which you may rely, and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

- 16. **NON-WAIVER.** No failure of ours to exercise any power reserved to us under this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this

Agreement. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

17. SEVERABILITY AND CONSTRUCTION

- 17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. In the event that any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect and shall be deemed severable.
- 17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.
- 17.3 Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this Agreement.
- 17.4 All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.
- 17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.
- 17.6 This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18. ENTIRE AGREEMENT; APPLICABLE LAW. This Agreement, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure

Document that was furnished to you by us. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. This Agreement shall be interpreted and construed under the laws of the State of New York without regard to the application of New York conflict of law rules, and the parties hereto consent to irrevocably submit to the exclusive jurisdiction of the state and federal courts located within New York.

19. DISPUTE RESOLUTION

19.1 Arbitration. All controversies, disputes, claims, causes of action and/or alleged breaches or failures to perform between Franchisor, its subsidiaries and affiliated companies or their shareholders, officers, directors, members, managers, partners, agents, employees and attorneys (in their representative capacity) (collectively, the “Franchisor Affiliates”) and Area Developer and the Area Developer Affiliates arising out of or related to: (1) this Agreement; (2) the relationship of the parties; (3) the validity of this Agreement; or (4) any aspect of the System, will be submitted for binding arbitration to the American Arbitration Association (“AAA”); except for actions brought which are related to or based on the Marks or the copyrights of Franchisor or to enforce the provisions of Article 12 of this Agreement, which actions Franchisor, at its option, may bring either in a court of competent jurisdiction or in arbitration. Notwithstanding the language above, if the action is based on a separate agreement or instrument between Area Developer or the Area Developer Affiliates and Franchisor or the Franchisor Affiliates (such as a promissory note or lease), the dispute resolution procedure in that agreement or instrument will control, rather than this Section; provided, that, at Franchisor’s sole option, any claim of any Franchisor Affiliate against a Area Developer Affiliate based on such other agreement or instrument may be brought in arbitration in conjunction with a dispute between the parties that is subject to arbitration under this Section, regardless of any provisions to the contrary contained in that other agreement or instrument. Arbitration proceedings will be conducted in New York and will be heard by one arbitrator in accordance with the then current rules of AAA that apply to commercial arbitration. The decision as to whether a claim is subject to mandatory arbitration shall be made by an arbitrator, not a court. The arbitrator shall be a resident of the State of New York, knowledgeable of New York law and fluent in English. The arbitration proceeding and all other hearings shall be conducted in English only, although Area Developer shall have the right, at Area Developer’s option and sole expense, to have a translator present at the proceeding or other hearings. The expense of a translator shall not be considered a cost or expense related to an action pursuant to Section 19.8 of this Agreement. The parties further agree that, in connection with any arbitration proceeding, each will file any compulsory counterclaim (as defined by Rule 13 of the U.S. Federal Rules of Civil Procedure) within 30 days after the date of the filing of the claim to which it relates. Any party to an arbitration proceeding may apply to the arbitrator for reasonable discovery from the other. In this Agreement, “reasonable discovery” means a party may submit no more than ten interrogatories, including subparts, 25 requests for

admission, 25 document requests, and three depositions per side of the dispute. The foregoing discovery rights and limitations shall control over any contradictory discovery rules of AAA, unless the parties agree otherwise.

- 19.2 Arbitration Award. Subject to Sections 19.6 and 119.7 below, the arbitrator shall have the right to award or include in the award any relief available and appropriate under the applicable law (as set forth in Section 19.5) and this Agreement. Any award shall be based on established law and shall not be made on broad principles of justice and equity. The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction. This provision will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.
- 19.3 Limitations on Proceedings.
- 19.3.1 Franchisor and Area Developer agree that arbitration shall be conducted on an individual basis only. Neither party shall commence any arbitration with a third party against the other, or join with any third party in any arbitration involving Franchisor and Area Developer. Further, neither Franchisor nor Area Developer shall attempt to consolidate or otherwise combine in any manner an arbitration proceeding involving Franchisor and Area Developer with another arbitration of any kind, nor shall Franchisor or Area Developer attempt to certify a class or participate as a party in a class action against the other.
- 19.3.2 The foregoing notwithstanding, in the event Area Developer controls, is controlled by, or is in active concert with another franchisee of Franchisor, or there is a guarantor of some or all of the Area Developer's obligations to Franchisor, then the joinder of those parties to any arbitration between Franchisor and Area Developer shall be permitted, and in all events, the joinder of an owner, director, officer, manager, partner or other representative or agent of Area Developer shall be permitted.
- 19.3.3 Area Developer agrees that no claims shall be brought on its behalf or on behalf of any of the Area Developer Affiliates by any third party, including but not limited to any association representing Area Developer.
- 19.4 Injunctive Relief. Notwithstanding anything to the contrary contained in this Agreement, Franchisor and Area Developer shall each have the right in a proper case to obtain temporary or preliminary injunctive relief from a court of competent jurisdiction. Each party agrees that the other may have such temporary or preliminary injunctive relief, without bond, but upon due notice, and with the sole remedy in the event of the entry of such injunctive relief being the dissolution of such injunctive relief, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived by each party). Any such action will be brought as provided below.

- 19.5 Governing Law/Consent to Jurisdiction/Waiver of Jury Trial. The United States Federal Arbitration Act shall govern all questions about the enforceability of the dispute resolution procedures in this Agreement and the confirmation of any arbitration awards pursuant to such procedures, and no arbitration issues are to be resolved pursuant to any state or provincial statutes, regulations or common law. Otherwise, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or applicable international trademark law, this Agreement shall be interpreted under the laws of the State of New York and any dispute between the parties shall be governed by and determined in accordance with the internal substantive laws (and not the laws of conflict) of the State of New York, which laws shall prevail in the event of any conflict of law. Notwithstanding the foregoing, the parties agree that the New York Deceptive Trade Practices-Consumer Protection Act (Tex. Bus. and Comm. Code §§ 17.41-17.63) shall not apply to this Agreement or any disputes between the parties. Area Developer and Franchisor have negotiated regarding a forum in which to resolve any disputes that may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding not subject to mandatory arbitration, as specified in Section 19.1 above, involving Area Developer and/or the Area Developer Affiliates and Franchisor and/or the Franchisor Affiliates, the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts located in New York, and each waive any objection either may have to the personal jurisdiction of or venue in such courts. Notwithstanding the foregoing, any legal proceeding by Franchisor or any Franchisor Affiliate not subject to mandatory arbitration may be brought in any court of competent jurisdiction in the country, state, or other geographic area in which the Order A Plumber Business is located or in which Area Developer or any Area Developer Affiliate resides or owns assets. IF A CLAIM MAY BE BROUGHT IN COURT, THEN FRANCHISOR, THE FRANCHISOR AFFILIATES, AREA DEVELOPER, AND THE AREA DEVELOPER AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.
- 19.6 No Punitive or Consequential Damages. Except as specifically permitted elsewhere in this Agreement, neither Franchisor or any of the Franchisor Affiliates, on the one side, nor Area Developer or any of the Area Developer Affiliates, on the other side, shall be liable to the other for punitive or other damages not measured by the other party's actual damages, except as may be required by statute, in any action between the parties, whether of the type subject to mandatory arbitration under Section 19.1 or otherwise, and whether such action is brought in arbitration, litigation, or any other legal proceeding.
- 19.7 No Recourse Against Others. Area Developer agrees that its sole recourse for claims (whether in contract or in tort, in law or in equity, or granted by statute) arising between the parties shall be against Franchisor or its successors and assigns. Area Developer agrees that the shareholders, officers, directors, members,

managers, partners, agents, and employees of Franchisor and its affiliates (the “Nonparty Affiliates”) shall not be personally liable nor named as a party in any action between Franchisor and Area Developer. To the maximum extent permitted by law, Area Developer waives any such claims against such Nonparty Affiliates.

19.8 Attorneys’ Fees.

19.8.1 Subject to Section 19.8.2 below, Franchisee shall reimburse Franchisor for its costs and expenses, including, without limitation, attorneys’ fees, which Franchisor incurs in pursuit of its rights following a breach or event of default of or by Franchisee whether or not the pursuit of rights involves litigation or arbitration.

19.8.2 The prevailing party in any action arising out of, or related to this Agreement (including an action to compel arbitration) is entitled to recover from the other party all costs and expenses related to the action, including reasonable attorneys’ fees, and all costs of collecting monies owed. If both parties are awarded a judgment in any dollar amount, the court or arbitrator, as applicable, shall determine the prevailing party taking into consideration the merits of the claims asserted by each party, the amount of the judgment received by each party and the relative equities between the parties.

20. TIMELY PERFORMANCE. You hereby acknowledge that your timely development of the Order A Plumber Businesses in the Development Area in accordance with the Development Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Order A Plumber Businesses within the Development Area in accordance with the Development Schedule, to operate such Order A Plumber Businesses pursuant to the terms of the franchise agreements applicable thereto, and to maintain all such Order A Plumber Businesses in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Development Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. In the event that you are unable to comply with the Development Schedule due to act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), terrorist event, riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond your control and cannot be overcome by use of normal commercial measures (“Force Majeure”), then upon notice to us, the Development Schedule and this Agreement shall be extended for a corresponding period, not to exceed 90 days. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under this Agreement or any franchise agreement or to indemnify us, whether such obligation arose before or after the Force

Majeure event. An event of Force Majeure shall not affect your obligations to comply with any restrictive covenants in this Agreement during or after the Force Majeure event.

21. **ACKNOWLEDGMENTS. YOU ACKNOWLEDGE THAT YOU RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED OR ANY PAYMENT WAS MADE TO US OR OUR AFFILIATES.**

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, effective on the effective date specified in Attachment “A” of this Agreement.

OAP FRANCHISES, INC.

By: _____

Name: _____

Title: _____

AREA DEVELOPER

By: _____

Name: _____

Title: _____

ATTACHMENT “A”
DATA SHEET

1. Effective Date. The effective date of the Area Development Agreement set forth in the introductory Paragraph of the Area Development Agreement is: _____.

2. Area Developer. The Area Developer set forth in the introductory Paragraph of the Area Development Agreement is: _____

3. Area Developer’s Principal Address: The Area Developer’s principal address set forth in the introductory Paragraph of the Area Development Agreement is :

Attn: _____

4. Notice Address. The notice address for Area Developer, as set forth in Section 13 of the Area Development Agreement is:

Attn: _____

5. Development Fee. The Development Fee, as set forth in Section 2 of the Area Development Agreement, is as follows:

Development Fee	Select
Fee for two Order A Plumber Businesses: [_____]	
Fee for three Order A Plumber Businesses: [_____]	
Fee for four Order A Plumber Businesses: [_____]	
Fee for five Order A Plumber Businesses : [_____]	

(Signature Page Follows)

AREA DEVELOPER

OAP FRANCHISES, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ATTACHMENT “B”
DEVELOPMENT AREA

The Development Area set forth in Section 1.1 of this Agreement shall be the geographic area described below and/or as depicted on the following map:

AREA DEVELOPER

By: _____

Name: _____

Title: _____

FRANCHISOR

OAP FRANCHISES, INC.

By: _____

Name: _____

Title: _____

ATTACHMENT "C"
DEVELOPMENT SCHEDULE

1. The total number of Order A Plumber Businesses to be developed under this Agreement (including the Initial Business): _____.
2. The termination date of this Agreement shall be the earlier of the date the Development Schedule is complete or _____.
3. Development Schedule:

Order A Plumber Franchise	Development Period Ending Date	Franchise Agreement Execution Deadline
1	As required in the Franchise Agreement	Date of execution of Area Development Agreement
2	Twelve (12) months from opening unit 1	
3	Twelve (12) months from opening unit 2	
4	Twelve (12) months from opening unit 3	
5	Twelve (12) months from opening unit 4	

AREA DEVELOPER

FRANCHISOR

OAP FRANCHISES, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ATTACHMENT "D"
STATEMENT OF OWNERSHIP

Area _____

Developer: _____

(Print Company Name or Individual Area Developer's Name)

Trade Name (if different from above): _____

Form of Ownership (Check One)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company
____ Other

If a Partnership, provide name and address of each partner showing percentage owned and whether each is active in management, indicate the state in which the partnership was formed and the date it was formed, and provide a copy of the Partnership Agreement.

If a Corporation, provide the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each, indicate the state and date of incorporation, and provide a copy of the Articles of Incorporation certified by the Secretary of State or other official for the state in which the corporation was formed.

If a Limited Liability Company, provide name and address of each member and each manager showing percentage owned, indicate the state in which the Limited Liability Company was formed and the date it was formed, and provide a copy of the Articles of Organization certified by the Secretary of State or other official for the state in which the Limited Liability Company was formed and the Operating Agreement.

If another type of business entity, provide the names and addresses of the owners and any officers or managers showing percentage owned, indicate the state in which the business entity was formed and the date it was formed, and provide a copy of any articles of formation and governing agreements certified, if applicable, by the Secretary of State or other official for the state in which the business entity was formed.

Area Developer acknowledges that this Statement of Ownership applies to the Order A Plumber Business authorized under Area Development Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to Franchisor in writing.

Date: _____

Signature: _____

Print Name: _____

EXHIBIT D
FINANCIAL STATEMENTS

OAP FRANCHISES, INC.

Financial Statements For The Years Ended December 31, 2024 & December 31, 2023
& December 31, 2022

TOGETHER WITH INDEPENDENT ACCOUNTANT AUDIT REPORT

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INDEPENDENT ACCOUNTANT AUDIT REPORT

To the Management of OAP FRANCHISES, INC.

Opinion

We have audited the financial statements of OAP FRANCHISES, INC. (the "Company"), which comprise the Balance Sheet as of December 31, 2024 & December 31, 2023 & December 31, 2022, the related Profit & Loss Statements, the related Statements of Cashflows, the related Statements of Shareholders' Equity, and the related notes for the twelve-month periods then ended. (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 & December 31, 2023 & December 31, 2022, and the results of its operations and its cash flows for the twelve-month periods then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

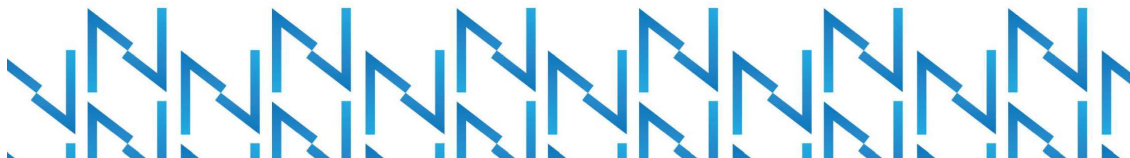
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.



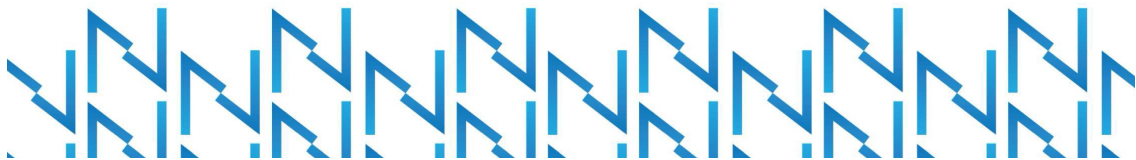
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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



Omar Alnuaimi, CPA

Naperville, IL
May 5, 2025



OAP FRANCHISES, INC.
PROFIT & LOSS STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2024 & DECEMBER 31, 2023 & DECEMBER 31, 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue			
Revenue	\$ -	\$ -	\$ -
Total Revenue	-	-	-
Cost of Sales	-	-	-
Gross Profit	-	-	-
Operating Expense			
Selling, General, & Administrative Expenses	3,608	2,130	-
Legal & Professional Fees	12,252	-	-
Total Operating Expenses	15,860	2,130	-
Net Income From Operations	(15,860)	(2,130)	-
Other Income (Expense)			
Total Other Income (Expense)	-	-	-
Net Income Before Provision for Income Tax	(15,860)	(2,130)	-
Provision for Income Taxes	-	-	-
Net Income (Loss)	<u><u>\$ (15,860)</u></u>	<u><u>\$ (2,130)</u></u>	<u><u>\$ -</u></u>

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

OAP FRANCHISES, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2024 & DECEMBER 31, 2023 & DECEMBER 31, 2022

	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 5,655	\$ 4,736	\$ 6,008
TOTAL CURRENT ASSETS	5,655	4,736	6,008
NON-CURRENT ASSETS			
TOTAL NON-CURRENT ASSETS	-	-	-
TOTAL ASSETS	5,655	4,736	6,008
<u>LIABILITIES AND OWNER'S EQUITY</u>			
CURRENT LIABILITIES			
TOTAL CURRENT LIABILITIES	-	-	-
NON-CURRENT LIABILITIES			
Due to Shareholders	73,718	69,863	69,006
TOTAL NON-CURRENT LIABILITIES	73,718	69,863	69,006
TOTAL LIABILITIES	73,718	69,863	69,006
OWNER'S EQUITY			
Capital Contributions	18,403	18,403	18,403
Retained Earnings (Deficit)	(86,466)	(83,530)	(81,400)
TOTAL SHAREHOLDERS' EQUITY	(68,063)	(65,127)	(62,997)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 5,655	\$ 4,736	\$ 6,008

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

OAP FRANCHISES, INC.
STATEMENT OF CASHFLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 & DECEMBER 31, 2023 & DECEMBER 31, 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES			
Net Income	\$ (15,860)	\$ (2,130)	\$ -
Non-Cash Adjustments			
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(15,860)	(2,130)	-
INVESTING ACTIVITIES			
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	-
FINANCING ACTIVITIES			
Due to Shareholders	3,854	857	-
Owner's Contribution (net)	12,924	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	16,778	857	-
NET INCREASE (DECREASE) IN CASH	918	(1,273)	-
CASH AT BEGINNING OF PERIOD	4,736	6,008	6,008
CASH AT END OF PERIOD	\$ 5,655	\$ 4,736	\$ 6,008

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

OAP FRANCHISES, INC.
STATEMENT OF SHAREHOLDERS' EQUITY
AS OF DECEMBER 31, 2024 & DECEMBER 31, 2023 & DECEMBER 31, 2022

	Opening Equity Balance	Yearly Changes	Total
Beginning Balance	\$ (62,997)	\$ -	\$ (62,997)
Net Income for the period ending December 31, 2022	-	-	-
Equity Contributions (Distributions)	-	-	-
Balance, December 31, 2022	\$ (62,997)	\$ -	\$ (62,997)

	Opening Equity Balance	Yearly Changes	Total
Beginning Balance	\$ (62,997)	\$ -	\$ (62,997)
Net Income for the period ending December 31, 2023	-	(2,130)	(2,130)
Equity Contributions (Distributions)	-	-	-
Balance, December 31, 2023	\$ (62,997)	\$ (2,130)	\$ (65,127)

	Opening Equity Balance	Yearly Changes	Total
Beginning Balance	\$ (65,127)	\$ -	\$ (65,127)
Net Income for the period ending December 31, 2024	-	(15,860)	(15,860)
Equity Contributions (Distributions)	-	12,924	12,924
Balance, December 31, 2024	\$ (65,127)	\$ (2,936)	\$ (68,063)

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

OAP FRANCHISES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 & DECEMBER 31, 2023 & DECEMBER 31, 2022

NOTE A – ORGANIZATION AND NATURE OF ACTIVITIES

OAP FRANCHISES, INC. (the “Company”) was incorporated under the laws of the State of New York for the purpose of offering franchise opportunities to entrepreneurs who want to own their own ‘Order A Plumber’ operation as a franchise.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). As a result, the Company records revenue when earned and expenses when incurred. The Company has adopted the calendar year as its basis of reporting.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosures of contingent assets and liabilities and other items, as well as the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and any cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Franchisee Receivables

The Company’s franchisee receivables primarily result from initial franchise fees, royalty fees, brand development contributions and training fees charged to franchisees. Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. The Company reports these receivables at net realizable value.

Management determines the allowance for doubtful accounts based on historical losses, current expectations, and economic conditions. On a continuing basis, management analyzes delinquent accounts receivable and, once these accounts receivable are determined to be uncollectible, they are written off through a charge against an existing allowance account. The allowance account is reviewed regularly and adjusted against earnings as appropriate. The Company determined that an allowance on outstanding franchisee receivables of \$0 was necessary as of December 31, 2024, December 31, 2023, & December 31, 2022. Franchisee bad debt expense was \$0 for the year ended December 31, 2024, December 31, 2023, & December 31, 2022. Franchisee amounts written off were \$0 for the year ended December 31, 2024, December 31, 2023, & December 31, 2022.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fixed Assets and Depreciation

Property and Equipment is stated at cost. Accounting principles generally accepted in the United States of America require that property and equipment be depreciated using the straight-line method. Depreciation in these financial statements reflects accelerated depreciation methods used for the tax return. The effects of these departures from accounting principles generally accepted in the United States of America on financial position, results of operations, and cash flows have not been determined. Expenditures for normal repairs and maintenance are charged to operations as incurred.

The Company reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of the undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. As of December 31, 2024, December 31, 2023, & December 31, 2022, no impairment loss has been recognized for long-lived assets.

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).
- Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

As of December 31, 2024, December 31, 2023, & December 31, 2022, the carrying amounts of the Company's financial assets and liabilities reported in the balance sheets approximate their fair value.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Revenue Recognition

Revenues are primarily derived from franchise fees (one-time and recurring monthly fees). In accordance with Accounting Standards Codification (ASC) Topic 606, Revenue will be recognized when persuasive evidence of an arrangement exists, delivery has occurred, or services have been rendered, the seller's price to the buyer is fixed or determinable, and collectability is reasonably assured. The determination of whether fees are fixed or determinable and collection is reasonably assured involves the use of assumptions. Arrangement terms and customer information are evaluated to ensure that these criteria are met prior to recognition of revenue.

Specifically for franchisors, The Financial Accounting Standards Board (FASB) has issued an Accounting Standards Update (ASU) to ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient' in 2021 which provides a new practical expedient that permits private company franchisors to account for preopening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. The Company has elected to adopt this new standard.

Unearned Revenue

The Company's primary performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including initial training and other such activities commonly referred to collectively as "pre-opening activities", which are recognized as a single performance obligation. The Company expects that certain pre-opening activities provided to the franchisee will not be brand specific and will provide the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of pre-opening activities that will be provided that is not brand specific is expected to be distinct as it will provide a benefit to the franchisee and is expected not to be highly interrelated or interdependent to the access of the Company's intellectual property, and therefore will be accounted for as a separate distinct performance obligation. All other pre-opening activities are expected to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore will be accounted for as a single performance obligation, which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration, under the franchise agreement to the stand-alone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, which are not brand specific are recognized ratably as those services are rendered. Consideration allocated to pre-opening activities included under Accounting Standards Update (ASU) to ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient' is recognized when the related services have been rendered.

The remaining franchisee fee not allocated to pre-opening activities are recorded as Unearned Revenue and will be recognized over the term of the franchise agreement.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Taxes

The Company applies ASC 740 Income Taxes ("ASC 740"). Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any and the change during the period in deferred tax assets and liabilities.

The Company sustained net operating losses during fiscal year's 2024, 2023, & 2022. Net operating losses will be carried forward to reduce taxable income in future years. Due to management's uncertainty as to the timing and valuation of any benefits associated with the net operating loss carryforwards, the Company has elected to recognize an allowance to account for them in the financial statements but has fully reserved it. Under current law, net operating losses may be carried forward indefinitely.

Commitments and Contingencies

The Company may be subject to pending legal proceedings and regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty, but the Company does not anticipate that the final outcome, if any, arising out of any such matter will have a material adverse effect on its business, financial condition or results of operations. As of December 31, 2024, December 31, 2023, & December 31, 2022, the Company has not reported any lawsuit or known plans of litigation by or against the Company.

NOTE C – CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company places its cash and any cash equivalents with a limited number of high-quality financial institutions and do not exceed the amount of insurance provided on such deposits.

NOTE D – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 5, 2025, the date on which the financial statements were available to be issued. Management has determined that none of the events occurring after the date of the balance sheet through the date of Management's review substantially affect the amounts and disclosure of the accompanying financial statements.

EXHIBIT E

OAP FRANCHISES, INC. OPERATIONS MANUAL

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OPERATIONS MANUAL TABLE OF CONTENTS

Operations Manual - Table of Contents

Introduction to the Order a Plumber Franchise Operations Manual
Confidentiality of the Operations Manual
Nondisclosure Agreement

SECTION 1: INTRODUCTION

- 1.1 Welcome Letter
- 1.2 Order a Plumber History
- 1.3 Order a Plumber Culture, Mission and Vision
- 1.4 Franchisor and Franchisee Relationship
- 1.5 Training
 - 1.5.1 Scheduling Initial Training
 - 1.5.2 Training Outline
- 1.6 Pre-Opening Checklist

SECTION 2: ESTABLISHING THE BUSINESS

- 2.1 Business Overview
 - 2.1.1 Business Structure
 - 2.1.2 Overview of Entity Choices
 - 2.1.3 Naming Your Entity
 - 2.1.4 Employer Identification Number
 - 2.1.5 Setting up Banking Relationships
- 2.2 Office Selection Process
 - 2.2.1 Site Selection Criteria
 - 2.2.2 Office Approval
- 2.3 Licenses, Permits and Taxes
 - 2.3.1 Introduction
 - 2.3.2 Business Licenses and Permits
 - 2.3.3 Tax Registrations and Payments
 - 2.3.4 State Information Web Sites
- 2.4 Approved Vehicles
 - 2.4.1 Types and Specifications
 - 2.4.2 Signage
 - 2.4.3 Storage/Parking
- 2.5 Setting Up Your Office
 - 2.5.1 Required Furnishings and Equipment
 - 2.5.2 Utilities and Services

Version 1.0 (December 2021)

Confidential

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ORDER A PLUMBER

OPERATIONS MANUAL TABLE OF CONTENTS

- 2.5.3 Initial Inventory and Supplies
- 2.5.4 List of Approved Suppliers
- 2.6 Networking and Building Relationships
- 2.7 Insurance Coverage
 - 2.7.1 General Insurance Requirements
 - 2.7.2 Minimum Coverage Amounts

SECTION 3: PERSONNEL

- 3.1 Introduction
- 3.2 Employment Law Basics
 - 3.2.1 Employee Rights / Employer Responsibilities
 - 3.2.2 Federal Regulations on Employment Relationships
 - 3.2.3 State Employment Laws
 - 3.2.4 OSHA
- 3.3 Job Descriptions
 - 3.3.1 Job Responsibilities
- 3.4 Recruiting Employees
 - 3.4.1 Sources of Employee Candidates
 - 3.4.2 Job Advertisements
- 3.5 Job Applications
 - 3.5.1 Application Form
 - 3.5.2 Confidentiality of Applications
- 3.6 Interviewing Job Applicants
 - 3.6.1 Preparing For Interviews
 - 3.6.2 Conducting Successful Interviews
 - 3.6.3 Questions to Avoid
- 3.7 New Employee Paperwork
- 3.8 New Employee Orientation
- 3.9 New Employee Training
- 3.10 Personnel Policies
- 3.11 Employee Scheduling
- 3.12 Performance Evaluations
- 3.13 Terminating Employees

SECTION 4: MARKETING THE BUSINESS

- 4.1 Promoting the Business in Your Area
 - 4.1.1 Your General Obligations
 - 4.1.2 Educating the Public

Version 1.0 (December 2021)

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ORDER A PLUMBER

OPERATIONS MANUAL TABLE OF CONTENTS

- 4.1.3 Guidelines for Using Logos and Marks
- 4.1.4 Marketing Standards
- 4.1.5 Website and Web Design
- 4.2 Brand Specifications
 - 4.2.1 Logo
 - 4.2.2 Brand Standards
 - 4.2.3 Electronic Communications
- 4.3 Obtaining Marketing Approval
- 4.4 Required Marketing Expenditures
 - 4.4.1 System Marketing
 - 4.4.2 Local Marketing Requirements
- 4.5 Local Marketing
 - 4.5.1 Introduction
 - 4.5.2 Networking
 - 4.5.3 Internet Advertising and Marketing
 - 4.5.4 Social Media
 - 4.5.5 Guerilla Marketing
 - 4.5.6 Print
 - 4.5.7 Direct Mail
 - 4.5.8 E-mail, Text & Newsletters
 - 4.5.9 Events, Expos/Trade Shows & Conferences
- 4.6 Public Relations and Community Involvement
 - 4.6.1 Press Releases
 - 4.6.2 Community Building
 - 4.6.3 Business Associations and Memberships
 - 4.6.4 Launch Marketing

SECTION 5: OPERATING PROCEDURES

- 5.1 Introduction
- 5.2 Our Services
- 5.3 The Importance of Customer Satisfaction
 - 5.3.1 Communication and the Customer Experience
 - 5.3.2 Handling Complaints
- 5.4 Working with the Call Center and Sale Procedures
 - 5.4.1 Identifying Needs and Quotes
 - 5.4.2 Closing and Agreements
 - 5.4.3 Follow Up
- 5.5 Service Protocols

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ORDER A PLUMBER

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- 5.5.1 Scheduling and Dispatch
- 5.5.2 Daily Morning Procedures
- 5.5.3 Performing Services
- 5.5.4 Daily End of Day Procedures
- 5.6 Equipment/Tool Troubleshooting and Maintenance
- 5.7 Customer Relationship Management (CRM)
- 5.8 Managing Inventory
 - 5.8.1 Vehicle Stock
 - 5.8.2 On Demand inventory
- 5.9 Office Procedures
 - 5.9.1 Minimum Hours of Operations
 - 5.9.2 Cleaning and Maintenance Guidelines
 - 5.9.3 Filing
 - 5.9.4 Billing/Invoicing
 - 5.9.5 Accepting Payment
- 5.10 Accounting and Financial Management
 - 5.10.1 Suggested Revenue Reports/KPI's
 - 5.10.2 Banking Procedures
 - 5.10.3 Accounting and Bookkeeping
- 5.11 Safety and Security
- 5.12 Franchise Fees and Reporting Requirements
 - 5.12.1 Royalty Fee
 - 5.12.2 Brand Development Fee
 - 5.12.3 Other Fees
 - 5.12.4 Required Reporting
 - 5.12.5 Financial Statements
 - 5.12.6 Sample Chart of Accounts

EXHIBITS

Version 1.0 (December 2021)

Confidential

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EXHIBIT F

LIST OF FRANCHISEES

(As of December 31, 2023)

None.

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

(As of December 31, 2023)

None.

EXHIBIT G

STATE ADDENDUM

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

In the State of New York only, this Disclosure Document is amended as follows:

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities,

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

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

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

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

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

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

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

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registrations in the following states having franchise disclosure laws, with the following effective dates:

State	Effective Date
California	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
Rhode Island	
Virginia	
Washington	
Wisconsin	

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

EXHIBIT H

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF OAP FRANCHISES, INC.

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If OAP Franchises, 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 you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If OAP Franchises, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

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

Kenny Schwamb 2871 Sunrise Hwy, Islip Terrace NY 11752 631-234-0687		
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Issuance Date: June 18, 2025

I received a Disclosure Document dated June 18, 2025, that included the following Exhibits:

- EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
- EXHIBIT B: Franchise Agreement with Exhibits A, B, C, D, E, and F.
- EXHIBIT C: Area Development Agreement
- EXHIBIT D: Financial Statements of OAP Franchises, Inc.
- EXHIBIT E: Operations Manual Table of Contents
- EXHIBIT F: Outlets as of the date of this Disclosure Document
- EXHIBIT G: State Addenda
- EXHIBIT H: Receipt

Date Received: _____ DATE: _____
(If other than date signed)

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

Please return signed receipt to **OAP Franchises, Inc.**
2871 Sunrise Hwy,
Islip Terrace, NY 11752

EXHIBIT H

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF OAP FRANCHISES, INC.

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If OAP Franchises, 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 you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If OAP Franchises, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

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

Kenny Schwamb 2871 Sunrise Hwy, Islip Terrace NY 11752 631-234-0687		
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Issuance Date: June 18, 2025

I received a Disclosure Document dated June 18, 2025, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement with Exhibits A, B, C, D, E, and F.
EXHIBIT C: Area Development Agreement
EXHIBIT D: Financial Statements of OAP Franchises, Inc.
EXHIBIT E: Operations Manual Table of Contents
EXHIBIT F: Outlets as of the date of this Disclosure Document
EXHIBIT G: State Addenda
EXHIBIT H: Receipt

Date Received: _____ DATE: _____
(If other than date signed)

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

KEEP FOR YOUR RECORDS