FRANCHISE DISCLOSURE DOCUMENT

PERMA TREAT™

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Department of
Business Oversight

Perma Treat, Inc., a Nevada corporation
118 Corporate Park Drive, Suite 117
Henderson, NV 89074
Phone: (877) 346-4717
Website: www.perma-treat.com

As a franchisee, you will operate a business specializing in cleaning, staining and sealing indoor and outdoor surfaces, including, but not limited to granite, tile, stone, pavers, wood and concrete using our process and products, under the name "Perma Treat."

The total investment necessary to begin operation of a Perma Treat® franchise is between $41,400 and $73,150. This includes between $21,500 and $22,500 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your Franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 Michele Brickwood, Chief Operating Officer, at Perma Treat, Inc., 118 Corporate Park Drive, Suite 117, Henderson, NV 89074, Phone: (877) 346-4717 or email: michele@perma-treat.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise,*" which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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: April 20, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION, MEDIATION, OR LITIGATION ONLY IN CLARK COUNTY, NEVADA. OUT-OF-STATE ARBITRATION, MEDIATION, OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE, MEDIATE, OR LITIGATE WITH US IN NEVADA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT NEVADA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN THOUGH YOUR SPOUSE MAY HAVE NO OWNERSHIP INTEREST IN THE BUSINESS. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

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 registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California Effective Date: _____
Hawaii Effective Date: _____
Illinois Effective Date: _____
Indiana Effective Date: _____
Maryland Effective Date: _____
Michigan Effective Date: _____
Minnesota Effective Date: _____
New York Effective Date: _____
North Dakota Effective Date: _____
Rhode Island Effective Date: _____
South Dakota Effective Date: _____
Virginia Effective Date: _____
Washington Effective Date: _____
Wisconsin Effective Date: _____

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of April 20, 2019.

MICHIGAN SPECIFIC-NOTICE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(j) If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

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

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

DISCLOSURES REQUIRED BY SOUTH CAROLINA LAW

The State of South Carolina has not reviewed, and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

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Exhibits

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, "we", "us," or "our" means Perma Treat, Inc., the franchisor. "You" or "your" means the person to whom we grant a franchise, whether you are an individual or a corporation, partnership, limited liability company or other legal entity, and includes all owners and partners of the person who buys the franchise.

The Franchisor, its Parent, and its Affiliates

We are a Nevada corporation that was formed on March 24, 2015. Our principal business address 118 Corporate Park Drive, Suite 117, Henderson, NV 89074. We do business under the name "Perma Treat®," and other trademarks we designate (the "Marks").

We began offering franchises on May 1, 2016. We have not previously offered franchises in any other line of business, nor do we operate any businesses under the Marks. We do not conduct any business activities other than franchising and the sale of products to franchisees.

We do not have any predecessors. Other than as stated above, we do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

The Franchise

We offer franchises that provide innovative cleaning, staining and sealing solutions for surfaces operated under the Marks ("Cleaning, Sealing and Staining Businesses"). Cleaning, Sealing and Staining Businesses are operated under a system that includes our valuable know-how, information, trade secrets, training methods, Brand Standards Manual, standards, designs, trademark usages, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of Cleaning, Sealing and Staining Businesses, all of which may be changed, improved, and further developed from time to time (the "System"). The table of contents to our current Brand Standards Manual is attached as Exhibit D.

You must purchase, lease, or own one or more vehicles ("Vehicles") to sell Authorized Products and perform Authorized Services within your Protected Territory. You may operate your business from your home, if allowed by law, and you will sell Authorized Products and perform Authorized Services at customer locations. You must have a storage facility within which you are able to properly store your service tools, materials, equipment, and Vehicles, and in compliance with all applicable law ("Storage Facility").

You must operate your Cleaning, Sealing and Staining Business following our standard business operating practices and sign our standard franchise agreement ("Franchise Agreement"). Your Cleaning, Sealing and Staining Business must offer the products and services we authorize and require you to offer. We reserve the right to add, modify, or delete any services or products that you must offer or sell at your Cleaning, Sealing and Staining Business at any time upon written notice to you in our sole discretion. You must also obtain all necessary permits, licenses and approvals to operate your Cleaning, Sealing and Staining Business.

Market and Competition

The market for our services and products generally is competitive and developing. You will have to compete with franchised operations, national chains and independently owned companies offering cleaning sealing, and staining services similar to those that you will offer. You will also compete with other businesses providing carpet cleaning or stone cleaning services.

Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, regional or national economic health, neighborhood demographic and traffic patterns, new technologies, and competition that provides related products.

Industry-Specific Regulations

In addition to laws and regulations that apply to businesses generally, your Cleaning, Sealing and Staining Business will be subject to various federal, state and local government regulations. You must investigate and comply with all applicable laws and regulations. You alone are responsible for complying with all applicable laws and regulations despite any advice or information that we may give you.

You must comply with all local, state and federal laws applicable to your Cleaning, Sealing and Staining Business, including licensing and bonding, occupational safety and health, labor, safety, advertising, and other matters. You may need to obtain a contractor's license if required by your state and county laws. Additionally, you may need to obtain other certifications depending upon your state and county requirements. You must also comply with any law or regulation or other government requirement concerning the storage of materials, like chemical cleaners, used in the operations of your Cleaning, Sealing and Staining Business Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage that what is required under federal law, which laws may disproportionately affect franchised businesses.

Agents for Service of Process

Our agents for service of process are listed on Exhibit A to this Disclosure Document.

ITEM 2

BUSINESS EXPERIENCE

President and CEO: Terry Rennie

Terry Rennie ("Rennie") has held this position since our inception in March 2015. Mr. Rennie ~~was~~is also the Manager of our affiliate, ~~PTCOH~~PTL VII, which ~~operated~~ currently operates a Perma Treat® ~~business in Bend, Oregon, between~~Las Vegas, Nevada, and has owned and operated Perma Treat® businesses since 2013 ~~and January 2019.~~

CFO: Marlene Wheeler Rennie

Marlene Wheeler Rennie has held this position since 2017. Ms. Wheeler Rennie has owned and operated closely held management companies since 1982.

COO: Michele Brickwood

Michele Brickwood has held this position since 2016. Her background includes multi-faceted property management, supervision of mining operations and building and selling several neighborhoods of homes. Ms. Brickwood is an U.S. Air Force veteran who resides in Washington.

ITEM 3

LITIGATION

Pending Actions

Perma Treat of Central Oregon, LLC v. Perma Treat Nevada, Inc., filed on September 27, 2018 in in the Circuit Court of Deschutes County, Oregon, Case No. 18-CV-43718

In September 2018, our former franchisee, Perma Treat of Central Oregon, LLC ("PTCO") filed a lawsuit against us seeking to rescind the franchise agreement and promissory note that PTCO signed with us on the basis of fraud. PTCO claims that we engaged in fraud, based upon their allegations that we provided inaccurate financial data to them during their due diligence review of the franchise offering we made to them. ~~Based upon PTCO's and Gerald Hollis and Marla Hollis's unlawful actions, we~~We terminated PTCO's franchise agreement on October 19, 2018, and, on October 22, 2018, we filed an answer denying that we engaged in any wrongdoing. We also filed counterclaims against PTCO and its principals, Gerald and Marla Hollis, for declaratory and injunctive relief, breach of contract, fraud/intentional misrepresentation, unjust enrichment, conversion, intentional interference with contractual relationships/business expectancies, alter ego liability, and an accounting, based on PTCO's and its principals' ~~unlawfully~~ beginning a competing business (The Spotless Glass Company, LLC) in violation of their franchise agreement with us. On December 10, 2018, PTCO filed a motion to strike or, in the alternative, partial summary judgment regarding our request for punitive damages and injunctive relief. A hearing regarding that motion took place on January 23, 2019 and we are currently awaiting a ruling. We intend to vigorously defend against PTCO's claims and prosecute our own claims against PTCO, Gerald Hollis and Marla Hollis.

Governmental Actions

State of Washington v. Perma Treat, Inc. and Terry Alan Rennie, filed April 26, 2016, No. S-16-1857-SC01.

The Department of Financial Institutions Securities Division ("Division") alleged we were offering or selling franchises in violation of RCW 19.100.020 and RCW 19.100.080, the registration and disclosure sections of the Franchise Investment Protection Act. In the Statement of Charges, the Division alleged tentative findings of fact that we had proposed and entered into a joint venture arrangement with a Hawaii Resident, with the intent to enter into a franchise agreement in the future. The Hawaii resident moved to Washington, invested money, purchase supplies and began operating a business, like the one offered in this Franchise Disclosure Document, pursuant to an oral joint venture agreement. We did not provide the Hawaii resident with a franchise disclosure document before entering into the oral joint venture agreement. We also entered into the oral joint venture agreement prior to be approved by Division to offer and sell franchises. We entered into a Consent Order agreeing to cease and desist from offering or selling franchises in violation of those registration and disclosure requirements. We were required to pay investigative costs of $3,000.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Application Fee and Deposit

You must pay us an application fee and deposit of $250 at the time you submit an application to become a franchisee of ours, and complete the Deposit Acknowledgment attached as Exhibit J. We will use the application fee to conduct a credit and criminal background check, and to evaluate you as a franchise candidate. In the event that you and we decide to commit to entering into a franchise agreement, the $250 deposit will be applied towards your initial franchise fee. The application fee and deposit are not refundable under any circumstances; if we decide not to offer you a franchise or you decide not to purchase a franchise, we will not refund the application fee to you.

Initial Franchise Fee

You must pay us an initial franchise fee of $20,000 in a lump sum when you sign the Franchise Agreement. If we determine that you (or your General Manager) cannot satisfactorily complete initial training, we may terminate the Franchise Agreement. Your initial franchise fee is not refundable, except as follows: if this is your first Perma Treat® franchise and you or we terminate your Franchise Agreement before you have completed taking the Initial Training Program, we will retain five thousand dollars ($5,000) of your initial franchise fee. We will not refund any other amounts you have paid to us prior to such termination.

Initial Inventory Purchase

You must pay us between $1,500 and $2,500 for your initial inventory order of required Perma Treat® products, which must be paid prior to shipment of the required products. You can determine the amount of inventory you purchase.

Pre-Opening Training

We will provide initial training and training materials for you, your General Manager and up to one (1) additional person that you designate at no extra charge to you. If you wish to have more than three people at training, we will charge you a training fee of $500 per person for each additional person. For any training that you undergo, you must pay for your and any other trainee's travel, meal and lodging expenses. This fee is not refundable.

These initial fees are uniform to all franchisees under this offering.

ITEM 6

OTHER FEES[1]

Type of Fee	Amount	Due Date	Remarks
Royalty	The greater of $1,000 per month or 8% of your Gross Sales (Note 2).	Payable monthly on the 5th, or other day of the week or month we designate in the Brand Standards Manual.	Based on your Gross Sales during the previous month. If this is your first Cleaning, Sealing and Staining Business, you will not be charged the monthly minimum royalty until six (6) months after you sign the Agreement.
Brand Fund Fee	2% of your Gross Sales.	Payable monthly on the 5th, or other day of the week or month we designate in the Brand Standards Manual.	Based on your Gross Sales during the previous month.
Local Advertising Payment	The difference between the amounts you spent on local advertising each month and your required local advertising expenditure (2% of your Gross Sales).	Payable after receipt of invoice.	If you fail to spend your required local advertising expenditure on local advertising, you must pay us the difference between the amount you spent and the required advertising expenditure, which will be contributed to the Brand Fund.
Local Advertising Cooperative Contribution	Up to 2% of your Gross Sales.	Payable as designated by us or the Cooperative.	If a Cooperative has been established for your market, you must participate. Each member will vote on the Cooperative's actions at the rate of one Cleaning, Sealing and Staining Business, one vote. Neither we nor our affiliates have controlling voting rights in any Cooperative.
Additional Initial Training	Our then-current tuition fee as published in the Brand Standards Manual; currently $500 per attendee.	Prior to our providing any such training or advice.	Payable if you request, or we require, initial training for a new individual or individuals in excess of the three (3) that may attend the initial training program. You must pay all travel, meal, lodging, salary, and living expenses for your attendees.

Type of Fee	Amount	Due Date	Remarks
Additional Requested Training	Our then-current tuition fee as published in the Brand Standards Manual; currently $1,500 if you come to a Cleaning, Sealing and Staining Business operated by us, or $2,500 if we send our personnel to your franchise. Also, you must pay all travel, lodging, meals, and other expenses we incur if we conduct training away from our headquarters.	Prior to our providing any such training or advice	In the event you are not operating your Cleaning, Sealing and Staining Business according to the Brand Standards Manual, we have the right to require you and your staff to attend additional training, which will occur (at our option) at a Cleaning, Sealing and Staining Business we select. You must pay all travel, meal, lodging, salary, and living expenses for your attendees if the training occurs at a Cleaning, Sealing and Staining Business other than yours.
Transfer Fee	$10,000 plus expenses incurred as a result of the transfer.	No fewer than five (5) days before you complete your transfer.	Applicable only if you choose to transfer your Franchise Agreement. Our consent is required for any transfer.
Successor Franchise Fee	$20,000	Upon signing your successor franchise agreement	Payable only if you wish to obtain the right to continue operating as our franchisee after the end of your initial franchise term.
Audit Fees	Actual cost of audit fees, plus the underreported fees, late charges on those fees, and interest on the fees you did not pay at 1.5% per month.	As incurred.	Payable only if the audit shows an understatement greater than 2% of reported amounts
Management Fee	$850 per day that we manage your Cleaning, Sealing and Staining Business, plus our direct expenses incurred on your behalf	As incurred	Due when we (or a third party) manage your Cleaning, Sealing and Staining Business after your death or disability, or by exercising our step-in rights.
Late, Dishonored Payment, or Insufficient Funds Fee	$100 each time.	As incurred.	Payable only if you do not pay your bills on time, if any check, electronic payment or other payment you tender to us is not honored for any reason.

Type of Fee	Amount	Due Date	Remarks
Supplier Approval Fee	Reasonable costs incurred by us with respect to evaluating a supplier for which you request our approval, which will typically be between $500 and $5,000.	Upon demand.	Payable only if we do not approve the proposed supplier you wish to purchase from.
Costs, administrative expenses, and attorneys' fees	Will vary under circumstances (Note 3).	Upon settlement or conclusion of a claim or action; in resolution of our efforts to collect past-due fees from you; or when we take action against you in response to your default of the Franchise Agreement.	Due when you do not comply with the Franchise Agreement
Interest	Daily equivalent of 1.5% per month simple interest of the delinquent amount or the highest rate permitted by law, whichever is less.	Payable when any payment is overdue.	Payable only if you do not pay your bills on time. Interest begins from the date of underpayment.
Call Center Fee	Our then current fee as published in the Brand Standards Manual; currently $1,000 per month	Payable in advance monthly on the 1st of the month, or other day of the week or month we designate in the Brand Standards Manual.	Payable for providing a call center. It is subject to change at our discretion after one year.
Customer Complaint Resolution	Varies; reasonable costs we incur for responding to a customer complaint	Upon demand	Payable if a customer of your Cleaning, Sealing and Staining Business contacts us with a complaint and we provide a credit or refund to the customer as part of our addressing the complaint.
Warranty Fund Fee	1% of your Gross Sales.	Payable monthly on the 5th or other day of the week or month we designate in the Brand Standards Manual.	Based on your Gross Sales during the previous month.
Reimbursement of Warranty Work Performed by Us	Our costs, personnel, travel and lodging expenses, and a 20% administrative fee	Upon demand	If you do not perform warranty work for a customer and we choose to perform the work for protection of the Marks and our goodwill, you must reimburse us (or our designee) for costs of performing the work, plus an administrative fee.

Type of Fee	Amount	Due Date	Remarks
Insurance	Our cost of premiums, plus an administrative fee equal to 20% of the cost of the premiums.	Upon demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Indemnification	Will vary under circumstances	As incurred	Payable to indemnify us, our affiliates and owners, officers, employees, agents, successors, and assigns against all claims related to your ownership and operation of your Cleaning, Sealing and Staining Business.
Liquidated Damages	The combined monthly average of Royalty Fees and Brand Fund Fees (without regard to any fee waivers or other reductions) that you owe us beginning with the date on which you open your Cleaning, Sealing and Staining Business through the date of early termination, multiplied by the greater of: (i) 24 months, or (ii) the number of full months remaining in the Term.	Within fifteen (15) days of the early termination of your franchise.	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.

1. All fees paid to us are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers. All fees listed in this Item 6 are uniformly imposed by us as to all franchisees.

All fees or money that you owe to us or our affiliates must be paid by electronic transfer no later than on the date they are due.

2. "Gross Sales" means all consideration, whether by cash, credit, in kind, checks, gift certificates, scrip, coupons, services, property or other means of exchange, or otherwise, derived directly or indirectly from the operation of your Cleaning, Sealing and Staining Business, including the credit value given for all merchandise trades, the full retail value of any gift certificate or coupon sold for use at your Cleaning, Sealing and Staining Business (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from Gross Sales), and insurance proceeds and/or condemnation awards for loss of sales, profits or business; provided, however, that "Gross Sales" does not include:

(i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and, in fact, paid by you to the appropriate governmental authority; or

(ii) valid discounts, or the value of any complimentary products, up to a maximum of ten percent (10%) of your Gross Sales in the aggregate.

Gross Sales are deemed received by you at the time the products or services from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by you. Gross Sales consisting of property, products or services will be valued at the retail prices applicable and in effect at the time that they are received. Any amounts deposited in your Cleaning, Sealing and Staining Business' bank accounts are deemed Gross Sales unless proven otherwise.

If you do not timely report your Gross Sales to us or comply with the reporting procedure for your Gross Sales set forth in the Brand Standards Manual, we will have the right, at our option, to debit your account in an amount equal to either: (a) one hundred and twenty percent (120%) of the fees transferred from your account for the last period for which you provided a report of your Gross Sales to us; or (b) the amount due based on information retrieved from QuickBooks.

3. If we prevail in any action against you to secure or protect our rights under the Franchise Agreement, or to enforce the terms of the Franchise Agreement, we will be entitled to recover from you reasonable attorneys' fees and court costs. If we become a party to any action or proceeding concerning the Franchise Agreement, or any agreement between us and you, or your Cleaning, Sealing and Staining Business, as a result of any claimed or actual act, error or omission of you or your Cleaning, Sealing and Staining Business, then you will be liable for our reasonable attorneys' fees incurred by us in the action or proceeding.

If we are required to engage a collection agency, use legal counsel, or hire any third party in connection with any failure by you to pay us amounts when they are due, or your failure to submit when due any reports, information, or supporting records, or in connection with any failure by you to otherwise comply with the Franchise Agreement, you must reimburse us for all costs and expenses of enforcement and collection, including our reasonable: (a) legal fees; (b) investigation fees; (c) travel expenses of our employees or agents; and (d) hourly charges of our employees or agents.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (UNIT FRANCHISE)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$20,000	Lump Sum	Upon signing of the Franchise Agreement	Us
Rent for Storage Unit (3 months) (Note 1)	$300-$500	As Incurred	As Agreed	Storage Unit Facility
Equipment	$2,000-$3,000	As Incurred	As Agreed	Outside Suppliers
Furniture, Office Equipment and Office Supplies	$500-$1,000	As Incurred	As Agreed	Outside Suppliers
Computer System and Software	$1,000-$3,000	As Incurred	As Agreed	Outside Suppliers
Office Computer, Printer, and Phone Equipment	$1,000-$3,000	As Incurred	As Agreed	Outside Suppliers
Signs	$500-$1,000	As Incurred	As Agreed	Outside Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Licenses & Permits	$500-$5,000	As Incurred	As Agreed	City / State / County / Licensing Authority
Vehicle	$1,500-$10,000	As Incurred	As Agreed	Outside Suppliers
Sales Tax Deposit	$100-$150	As Incurred	As Agreed	City / State / County / Taxing Authority
Travel Expenses for Training	$2,500-$5,000	As Incurred	As Agreed	Airlines, Hotels, Rental Car Companies, Restaurants, and Others
Initial Inventory	$1,500-$2,500	As Incurred	As Agreed	Us
Insurance (3 months)	$1,000-$1,500	As Incurred	As Agreed	Outside Suppliers
Professional Fees	$1,000-$2,500	As Incurred	As Agreed	Accountant(s) and Attorney(s)
Initial Marketing	$3,000-$5,000	As Incurred	As Agreed	Outside Suppliers
Additional Funds (3 months) (Note 2)	$5,000-$10,000	As Agreed	As Incurred	Employees, Marketing Companies, Other Outside Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (NOTE 5)	$41,400-$73,150			

(Please see Notes below, which are an integral part of this Item)

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Cleaning, Sealing and Staining Business. We do offer financing directly for the initial franchise fee upon terms that may vary and are dependent upon a range of factors, Also, the availability and terms of financing from third parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which you request a loan.

~~The factors underlying our estimates may vary depending on a number of variables, and the actual investment you make in developing and opening your Cleaning, Sealing and Staining Business may be greater or less than the estimates given depending upon the location of your franchise, and current relevant market conditions.~~ Payments you make to us and our affiliates are not refundable under any circumstances. We do not know whether any of the money you pay to third parties will be refundable. In compiling this chart, we relied on the experience of our President and Chief Executive Officer, Terry Rennie, as the owner and operator (since 2013) of several Perma Treat® businesses similar to the franchise being offered to you.

1. Rent. These amounts assume rental of an existing Storage Unit. These costs could be substantially higher in certain markets, depending on the size of the Storage Unit you need, the city or town in which your Cleaning, Sealing and Staining Business is located. You should carefully investigate all of these costs in the area where you wish to establish your Cleaning, Sealing and Staining Business and would need to rent the Storage Unit.

2. Additional Funds. Additional funds is an estimate of the funds needed to cover pre- and post-opening expenses including sales taxes, recruitment, on-site training expenses, and payroll processing, as well as additional operating capital for other variable costs (e.g., electricity, telephone, Internet service, Internet setup, etc.), paper, office supplies, cellular telephones, and other supplies. Additional funds are also an estimate of the monies you will need on hand during the initial phase of Business operations. This estimate also includes the estimated cost of salaries for your employees, but does not include an estimated salary for you.

~~3. Figures May Vary.~~

3. This Estimated Initial Investment Item 7 includes our estimates of your initial startup expenses and funds for additional inventory and additional funds for the operation of your Cleaning, Sealing and Staining Business. ~~These expenses include payroll costs, but assume that you will not draw a salary. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Cleaning, Sealing and Staining Business. Your costs will depend on factors such as: how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market demand for your product; the prevailing wage rate; competition; and the sales level reached during the initial period.~~ You should conduct your own independent investigation of the costs of opening a Cleaning, Sealing and Staining Business in the geographic area in which you intend to open your Cleaning, Sealing and Staining Business. ~~Additional funds for the operation of your Cleaning, Sealing and Staining Business will be required after the first three months of operation if sales produced by your Cleaning, Sealing and Staining Business are not sufficient to produce positive cash flow.~~ You should also review the figures listed in this Item 7 carefully with a business advisor before making any decision to purchase a franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To help ensure a uniform image and uniform quality of products and services throughout the Perma Treat® System, you must maintain and comply with our quality standards. Any required standards exist to protect our interest in the System and the Marks and not for the purpose of establishing any control, or the duty to take control, over those matters that clearly are reserved to you. We intend to publish our standards, specifications, policies, and procedures in confidential operations manuals, training videos, and other documents (collectively, the "Brand Standards Manual") that we will loan to you. The table of contents to our current Brand Standards Manual is attached as Exhibit D.

Approved and Designated Suppliers

We will provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and approved equipment, signs, stationery, supplies and other items or services necessary to operate your Cleaning, Sealing and Staining Business ("Approved Supplies List"). From time to time we, our affiliate or a third party vendor or supplier, may be the only approved supplier for certain products. The Approved Supplies List also may include other specific products without reference to a particular manufacturer, or they may designate the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable.

Except for instances where we designate a single source supplier, if you wish to purchase any products or services for which we have established approved suppliers from an unapproved supplier, you may request our consent in writing and we will be required to consider your request. The procedure for submitting a request will be outlined in the Brand Standards Manual. Within 30 days after receiving a completed request, and completion of such evaluation and testing (if we require), we will notify you in writing of our approval or disapproval of the proposed supplier. If we do not approve the proposed supplier, you must pay our reasonable costs incurred in evaluating your request, which will typically be between $500 and $5,000. We may revoke our approval at any time if we determine, in our sole discretion, that the supplier no longer meets our standards.

We apply the following general criteria in approving a proposed supplier: (1) ability to make product in conformity with our specifications; (2) reputation and integrity of supplier; (3) financial condition and insurance coverage of the supplier; and (4) system uniformity. We do not make our specific criteria for selecting approved suppliers available to our franchisees, nor do we make our specifications known to suppliers.

Required Purchases or Leases

A list of the materials that you can, or will be required to, purchase from us or suppliers approved by us, and the names of those approved suppliers, will be listed in our Brand Standards Manual. We are the only approved supplier for Perma Treat® products. We reserve the right to become approved suppliers, or the only approved suppliers, in the future for any other materials we require you to use in your Cleaning, Sealing and Staining Business.

Perma Treat® Products

You must purchase from us all of the Perma Treat® products that you will use in your Cleaning, Sealing and Staining Business. We and our affiliates are the only approved suppliers of these materials.

Advertising and Promotional Materials

We have the right to require you to purchase from us, or our approved third-party suppliers, advertising and promotional materials relating to the System. We and our affiliates are an approved supplier of these materials, but are not the only approved suppliers of the advertising and promotional materials.

Employee Uniforms

You must purchase your employee uniforms according to the criteria that we will make available to you in the Brand Standards Manual.

Insurance

You must obtain and carry, at your expense, insurance policies that we periodically require protecting you and us. All insurance policies must name us as an additional insured party with wavier of subrogation. All policies must be underwritten by companies having an A.M. Best rating of A- or higher.

The insurance policies must include, at a minimum: (1) comprehensive commercial general liability insurance for the franchised business of at least $1,000,000 per occurrence, $2,000,000 aggregate limit, and $500,000 damage to rented premises per occurrence; (2) products and completed operations coverage with an aggregate coverage of $2,000,000; (3) personal and advertising injury coverage of $1,000,000 per occurrence, with $10,000 per person in medical benefits; (4) business interruption coverage to include all

perils property and casualty coverage; (5) excess or umbrella liability insurance with limits of not less than $2,000,000 per occurrence, and $2,000,000 in the aggregate, (6) business interruption coverage providing for at least twelve (12) months coverage of profits and necessary operating expenses; (7) vehicle coverage, including any hired or non-owned vehicles used in your Cleaning, Sealing and Staining Business' operation of $1,000,000 single limit for bodily injury and property damage, which coverage is to include underinsured and uninsured motorists coverage; (8) worker's compensation in such amounts as required by state law for the state in which you operate your Cleaning, Sealing and Staining Business, with employers lability of $1,000,000 for each accident/disease; (9) employer's liability insurance of $1,000,000; (10) unemployment insurance as required by state law for the state in which you operate your Cleaning, Sealing and Staining

Business; (11) state disability insurance as required by state law for the state in which you operate your Cleaning, Sealing and Staining Business; and (12) professional errors & omissions insurance and/or other insurance coverage as may be required by agreements under which you provide the services of your Cleaning, Sealing and Staining Business; (13) other insurance to meet any other requirements that may be imposed by law or otherwise. We may unilaterally modify our insurance requirements, which modifications may include increasing minimum policy limits, by delivering to you written notice of the change through the Brand Standards Manual. Note that the foregoing requirements (and any approval or wavier of said insurance) by us are not intended to and will not in any manner limit or qualify your liabilities, whether imposed by law or assumed pursuant to any agreement, including, but not limited to, the provisions concerning indemnification. We may unilaterally modify our insurance requirements, which modifications may include increasing minimum policy limits, by delivering to you written notice of the change through the Manual.

We are not an approved supplier or the only approved supplier of the required insurance policies.

Proportion of Required Purchases and Leases to All Purchases and Leases

We estimate that the purchase of goods, supplies, and inventory or comparable items related to establishing or operating the Cleaning, Sealing and Staining Business, from us or our designated or approved suppliers and distributors, or those meeting our standards and specifications, will be between 30% and 50% of your total cost to establish a Cleaning, Sealing and Staining Business and between 1% and 40% of your total cost of operating a Cleaning, Sealing and Staining Business (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment, furniture, or fixtures).

Purchasing Cooperatives, Purchasing Arrangements, Rebates, Payments, and Derived Revenue

In 2018, our total revenue was $298,989. Our revenue from required purchases and leases of products and services by our franchisees was $30,989.82 or 10.3% of our total revenue. We do not have purchasing and distribution co-operatives as of the issuance date of this Franchise Disclosure Document; however, we may negotiate alternative purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates on volume discounts from our purchase of products that we may re-sell to you. We reserve the right to negotiate prices in the future for various products for the benefit of the System, but not on behalf of or for the specific benefit of individual franchisees, but we currently do not do so.

We may derive revenue or other material consideration from required purchases or leases by franchisees from approved suppliers. There are no caps or limitations on the maximum amount of payments we may receive from our suppliers as the result of franchisee purchases.

Some of our officers own an equity interest in us (the franchisor) and our affiliates, and we are an approved supplier. We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section In Agreement	Item In FDD
A	Business Entity	Section 1.8	Item 15
B	Pre-Opening Purchase/Leases & Other Pre-Opening Requirements	Sections 3.1 – 3.5, 8.2, 9.2 – 9.5, 11.1, & 14.2 of the Franchise Agreement	Items 5, 7, 8, and 11
C	Initial & Ongoing Training	Sections 10.1 – 10.7 of the Franchise Agreement	Items 6, 7, and 11
D	Opening	Section 3.6 of the Franchise Agreement	Item 11
E	Fees	Article 6 & Section 18.3 of the Franchise Agreement	Items 5, 6, and 7
F	Compliance With Standards And Policies/Operating Operations Manual	Articles 7, 8, & 9 of the Franchise Agreement	Items 8 and 11
G	Trademarks & Proprietary Information	Articles 7 & 9 of the Franchise Agreement	Items 11, 13, 14, and 16
H	Restrictions On Products/Services Offered	Sections 9.2, 9.3, 9.4, 9.5, 9.6, 9.10, 9.12, 9.13, 9.14, 9.15, 9.18, & 9.20 of the Franchise Agreement	Items 8, 11, 12, and 16
I	Warranty & Customer Service Requirements	Sections 9.5, 9.11 & 9.20 of the Franchise Agreement	Item 11
J	Territory	Article 2 & Article 4 of the Franchise Agreement	Item 12.
K	Ongoing Products/Service Purchases	Sections 9.2, 9.3, 9.4, 9.5, 9.7, 9.10, 9.13 & 9.20 of the Franchise Agreement	Items 6 and 8
L	Maintenance & Appearance Requirements	Sections 9.8 & 9.10 of the Franchise Agreement	Items 8, 11, 16, and 17
M	Insurance	Section 14.3 of the Franchise Agreement	Items 7 and 8
N	Advertising	Article 8 of the Franchise Agreement	Items 6, 7, 8, and 11
O	Indemnification	Sections 14.1 & 14.2 of the Franchise Agreement	Item 6
P	Owner's Participation, Management, Staffing	Section 9.1 of the Franchise Agreement	Items 11 and 15
Q	Records and Reports	Sections 6.7, 6.9, 6.10, 18.4, 20.9, Article 11, & Article 12 of the Franchise Agreement	Item 11

	Obligation	Section In Agreement	Item In FDD
A	Business Entity	Section 1.8	Item 15
R	Inspections And Audits	Article 12 of the Franchise Agreement	Items 6 and 11
S	Transfer	Article 15 of the Franchise Agreement	Item 17
T	Renewal	Section 5.2 of the Franchise Agreement	Item 17
U	Post-Termination Obligations	Articles 16 & 18 of the Franchise Agreement	Item 17
V	Non-Competition Covenants	Article 16 of the Franchise Agreement;	Items 15 and 17; Exhibit H
W	Dispute Resolution	Article 19 of the Franchise Agreement	Item 17
	Liquidated Damages	Section 18.6 of the Franchise Agreement	Item 6

ITEM 10

FINANCING

If you meet our credit standards, we will finance a portion of the $20,000 initial franchise fee over a 5 year term at an interest rate of 10% (rate of interest plus finance charges expressed on an annual basis), using the standard form note in Exhibit K. We require a down payment of at least $10,000. The note has a maximum repayment period of 5 years and can be prepaid at any time without penalty. We require security in the form of a personal guaranty by all Owners of your Cleaning, Sealing and Staining Business and their spouses, and a security interest in all assets of your Cleaning, Sealing and Staining Business with a UCC filing. If you do not pay on time, the interest rate can increase to 13%, and we can accelerate the balance due under the note and demand immediate payment of the full outstanding balance. The note also allows us to obtain attorney's fees and costs from you if we are required to file suit to collect the balance from you. We also have the right to terminate your franchise agreement if you do not pay the note as required. You waive your right to notice of a collection action and to assert any defenses against us.

The monthly payment will depend upon the amount financed and is determined by amortizing the amount financed over five years (or such shorter period as you elect).

We do not receive any consideration for placing financing with a lender, although we reserve the right to do so in the future. We do not guarantee your note, lease or obligation.

ITEM 11

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

Except as listed below, Perma Treat, Inc. is not required to provide you with any assistance.

Pre-Opening Assistance. Prior to the opening of your Cleaning, Sealing and Staining Business, we will provide the following initial services:

1. Designate the Protected Territory for your Cleaning, Sealing and Staining Business. (Franchise Agreement, Article 3)

2. Provide you with our guidelines and specifications for vehicles in the Brand Standards Manual and other written materials. These materials may include requirements relating to make, model, year, color and body wrap or other advertising. You must promptly purchase one or more Vehicles you will use to deliver products and perform services at within your Protected Territory. You are solely responsible for any costs associated with the vehicles, which must conform to our standards and specifications. (Franchise Agreement, Article 3)

3. Provide training to you, your General Manager, and up to one (1) other management person on the System, System guidelines, and operational and brand standards (the "Initial Training Program"). We will not train or assist in training your employees or independent contractors. You will be responsible for training your employees and independent contractors. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the Business. We describe the Initial Training Program later in this Item. (Franchise Agreement, Article 10)

4. We will loan to you, or provide you with electronic access to, one copy of the Brand Standards Manual. We describe the Brand Standards Manual later in this Item. (Franchise Agreement, Article 9)

5. Provide guidance to you concerning advertising, marketing, and promotional materials and also support and assist you with your grand opening advertising campaign. We will draft and create (with your input) a press release and media advisory for you to use with local media. We will provide you with a listing on our Website and provide you with a landing page. We will also assist you with an initial social media campaign. We have the right to exclusively control all social media accounts that you use in connection with your Cleaning, Sealing and Staining Business, but we may permit you to control such accounts while you are in compliance with, and during the term of, your Franchise Agreement. (Franchise Agreement, Article 10)

Time to Open.

We estimate that there will be an interval of time of 30 to 60 days between the execution of the Franchise Agreement and the opening of your Cleaning, Sealing and Staining Business. The factors that may affect this length of time include training, installation of software and computer systems, obtaining marketing materials, materials shortages, and hiring as needed.

You must maintain an office, which may be a home office, to serve as the business office for your Cleaning, Sealing and Staining Business. You must be able to receive overnight delivery packages at your Business Office. Your Business Office is not required to be located in your Protected Territory. You must maintain a separate telephone line, voicemail, and cable or Internet connection for the Business Office. (Franchise Agreement, Article 3)

You must have a Storage Facility within which you are able to properly store your service tools, materials, equipment, and Vehicles, in compliance with all applicable law. Your Storage Facility may be located at (but not within) your home if you have sufficient space, and it complies with all applicable law, including any laws concerning the storage of certain chemicals used in the operation of your Cleaning, Sealing and Staining Business. The Storage Facility must be located in your Protected Territory if it is not at your home. (Franchise Agreement, Article 3)

You must open your Cleaning, Sealing and Staining Business within 90 days after signing the Franchise Agreement. If you do not open your Cleaning, Sealing and Staining Business within that time period we will have the right to terminate the Franchise Agreement or to begin charging you $1,000/month. If we

exercise the right to terminate we will: (a) retain ten thousand dollars ($10,000) of the initial franchise fee you paid us if you have not completed the Initial Training Program; or (b) not refund any portion of the initial franchise fee if you have completed the Initial Training Program. (Franchise Agreement, Article 3 and Article 6)

Post-Opening Obligations. During the operation of your Cleaning, Sealing and Staining Business, we will:

1. Make a representative reasonably available to provide you with individual assistance, by phone or through electronic means, during normal business hours. (Franchise Agreement, Article 10)

2. Provide you with specifications and standards, and provide general guidance through meetings, printed materials, and/or other media. (Franchise Agreement, Article 10)

3. At your request (or if we require it in the case that you are performing below our System standards), provide you with additional training. We have the right to charge you our then-current tuition fee as published in the Brand Standards Manual (currently, $1,500 if you attend training at a Cleaning, Sealing and Staining Business operated by us, or $2,500 if we send one of our personnel to your Cleaning, Sealing and Staining Business). Also, you must reimburse us our reasonable travel, lodging, meals, and other expenses we incur if we conduct training away from our headquarters. If the training occurs at a place other than your Cleaning, Sealing and Staining Business, you must pay for your (and your employees' travel, lodging, meals, and other expenses. (Franchise Agreement, Article 10)

4. At your request, provide to you advertising and promotional materials that we have pre-approved for you to use in marketing your Cleaning, Sealing and Staining Business. You must pay us our costs plus 20% for these items. (Franchise Agreement, Article 8)

Post-Opening Optional Assistance. During the operation of your Cleaning, Sealing and Staining Business, we may:

5. Conduct annual or other periodic conferences and/or meetings for all franchisees, managers, and other personnel. We have the right to require you and your General Manager to attend these conferences. (Franchise Agreement, Article 10)

6. Advise you of operating problems found in connection with the operation of your Cleaning, Sealing and Staining Business by disclosing them through reports submitted to or inspections made by us. We may furnish to you such guidance and assistance in connection with the operation of your Cleaning, Sealing and Staining Business as we deem appropriate. (Franchise Agreement, Article 10)

7. Institute, maintain and administer a central advertising account (the "Brand Fund") for such advertising or public relations programs, which may include product testing, as we, in our sole discretion, may deem appropriate to promote Cleaning, Sealing and Staining Businesses locally, regionally, or nationally. We describe the Brand Fund later in this Item. (Franchise Agreement, Article 8)

8. Institute, maintain and administer a warranty fund (the "Warranty Fund"). We will use the Warranty Fund to address warranty claims that are not adequately addressed by our franchisees, for the protection of the System. We will use the Warranty Fund, as we, in our sole discretion, may deem appropriate. We describe the Warranty Fund later in this Item. (Franchise Agreement, Article 11)

9. Coordinate the presence of the System on the Internet, including but not limited to e-commerce, web site use, social media and networking sites, and cyberspace applications. This includes all national, regional, state, and local websites regarding our franchisees. We will have sole discretion and control over

the design and contents of any website. For so long as you are not in default of the Franchise Agreement, we will list your Cleaning, Sealing and Staining Business on our Internet website. We reserve the right to de-list or remove your Cleaning, Sealing and Staining Business from the website if you are not in compliance with the terms of the Franchise Agreement. We also have the right to control all use of social media and social networking sites by you that mentions or uses the Marks. (Franchise Agreement, Article 7)

10. Periodically make changes to the products that we authorize and require you to sell at your Cleaning, Sealing and Staining Business. (Franchise Agreement, Article 9)

11. Create a gift card or other customer loyalty program. (Franchise Agreement, Article 9)

12. In our discretion, negotiate purchase agreements with approved suppliers to obtain discounted prices for franchisees and other Cleaning, Sealing and Staining Businesses in the System. (Franchise Agreement, Article 10)

13. Establish minimum and maximum prices for the services and products you sell, subject to applicable law. (Franchise Agreement, Article 9)

There is no specified date or period of time for us to complete our obligations stated above. Other than those mentioned above, we do not provide other supervision, guidance, or services during the operation of your Cleaning, Sealing and Staining Business.

Advertising

Pre-Opening Advertising

In connection with your grand opening, you must spend a minimum of $7,000 on local advertising and promotion prior to starting operation and continuing over your first six months of operation (the "Grand Opening Advertising") as follows: $1,000 prior to opening and $1,000 per month for the first six months of operation, which fee will be separate from and in addition to the other marketing fees and requirements described in this Item 11. We will provide you with guidance for conducting Grand Opening Advertising, and we will review and approve the materials you use in your Grand Opening Advertising. (Franchise Agreement, Article 8)

Local Advertising

We require you to spend two percent (2%) of your Gross Sales on your local advertising and marketing efforts. (Franchise Agreement, Article 8)

All of your advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Before you use them, you must send to us samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. You will not use any materials until they have been approved. Any materials submitted to us that have not been approved by us in writing within fifteen days of our receipt, are deemed disapproved. (Franchise Agreement, Article 8)

Brand Fund

We have a fund for marketing the System, the Marks, and Cleaning, Sealing and Staining Businesses (the "Brand Fund"). We require you to pay us on a monthly basis (or other period we designate) a continuing

Brand Fund Fee. Your Brand Fund Fee will be two percent (2%) of your monthly Gross Sales. The fees you pay to the Brand Fund are not refundable. (Franchise Agreement, Article 6)

Your contribution to the Brand Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the Brand Fund but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Cleaning, Sealing and Staining Businesses owned by us will contribute to the Brand Fund on the same basis as franchisees.

The Brand Fund will be administered by us, our affiliate, or designees, at our discretion. We may use a professional advertising agency or media buyer to assist us. The Brand Fund may be commingled with our operating account and not held in a separate bank account, commercial account or savings account.

We have complete discretion on how the Brand Fund will be utilized, and we may use the money in the Brand Fund for any of the following: (i) developing maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs; (ii) public awareness of any of the Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development and search engine optimization; (vii) development and implementation of quality control programs; (viii) conducting market research; (ix) changes and improvements to the System; (x) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts; (xi) collecting and accounting for contributions to the fund; (xii) preparing and distributing financial accountings of the fund; (xiii) any other programs we deem necessary or appropriate to promote or improve the System; and (xiv) our and our Affiliates' expenses associated with direct or indirect labor, administrative, overhead or other expenses incurred in relation to any of these activities.

We may use any media for disseminating Brand Fund advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. We may reimburse ourselves, our authorized representatives or our affiliates from the Brand Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Brand Fund. We do not guarantee that advertising expenditures from the Brand Fund will benefit you or any other franchisee directly or on a pro rata basis. We will not use the Brand Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct or administer the Brand Fund. Any unused funds that were collected in any calendar year will (in our sole discretion) either be refunded or applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable.

The Brand Fund is not audited. Upon your written request, we will provide to you an annual accounting for the Brand Fund that shows how the Brand Fund proceeds have been spent for the previous year. ~~In 2018, we spent (Franchise Agreement, Articles 8)~~In 2018, we spent $11,135.24 from the Brand Fund. This amount was spent on monthly website fees, website media and content creation, website updates, search engine optimization, and training videos and materials.

Cooperatives

We do not have any local or regional advertising cooperatives, but may do so in the future. (Franchise Agreement, Article 8)

Computer System

You must purchase and use in your Cleaning, Sealing and Staining Business a Computer System meeting our requirements. The Computer System will consist of the following: computer (central processing unit), high speed data communication device (remote report generation), tablet and cellular phone. The Computer System will generate reports on the sales and expenses of your Cleaning, Sealing and Staining Business and will automate certain of your administrative functions.

We estimate that the cost of purchasing the Computer System, including software, will be between $1,000 and $3,000. The cost estimated above includes software licensing costs for the first year of your operations.

You will be responsible to upgrade or update the Computer System during the term of the franchise, to ensure the system adheres to the most current software versions and software license terms.

We reserve the right to require you to upgrade or update the Computer System at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We have independent, unlimited access to the information generated by the Computer System. We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop and maintain, on your signing of a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights concerning, the software or technology.

Neither we, nor any affiliate or third party, will be obligated to provide ongoing maintenance, repairs, upgrades or updates for the Computer System. The annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be dictated by the supplier. At this time we do not require you to purchase the Computer System from a particular supplier. We estimate your annual cost to maintain or upgrade your computer systems will be approximately $500 to $2000.

You are required to use the Computer System to record all sales at your Cleaning, Sealing and Staining Business. There are no limitations on the type of information we can access, or the times or frequency of when we access such information. No compatible equivalent component or program has been approved by us. (Franchise Agreement, Article 11)

Brand Standards Manual

The table of contents to our current Brand Standards Manual is attached as Exhibit D. The purpose of the Brand Standards Manual is to communicate to you and our other franchisees both our requirements and our suggestions for the operations of your Cleaning, Sealing and Staining Business, so that customers of the System have a uniform and quality experience across Cleaning, Sealing and Staining Business locations. The Brand Standards Manual is not intended to mandate how you handle employment issues with your employees, except to the extent that their conduct has a direct bearing on the System or the Marks.

We may modify the Brand Standards Manual at any time. We will notify you if there are any changes made to the policies or procedures so that you can comply. You must update your copy of the Brand Standards Manual, as instructed by us. (Franchise Agreement, Article 9)

Call Center

You are required to pay for and use the call center we provide to answer incoming sales calls, schedule appointments, and issue your warranty documents to your customers. We may require you to utilize a phone provider that features a call forwarding functionality or designate other phone provider requirements. We reasonably determine the extent of the services provided by the call center and have sole discretion in determining the manner in which we provide these services. We may change the services offered, discontinue providing the Call Center or require you to use an alternative supplier to provide these services at any time. (Franchise Agreement, Section 9.5)

Initial Training Program

Our initial training program typically lasts for up to 10 days, depending on your progress and performance (the "Initial Training Program"). We offer the program as often as necessary to accommodate our new franchisees. The training will be held at your franchise location, or at another location we designate.

The cost of the Initial Training Program is included in the Initial Franchise Fee, for you, your proposed General Manager, if applicable, and up to one (1) other management person (for a possible total of three (3) people), except that you are responsible for costs associated with attending the program such as travel, lodging and meals. If you wish to bring any additional people to the Initial Training Program, we will charge $500 for each such additional person.

You and your General Manager must complete the training program to our reasonable satisfaction, as determined by the program instructors listed in the training schedule below before you begin operating your Cleaning, Sealing and Staining Business. Training is mandatory for you and your General Manager. If your General Manager does not complete the Initial Training Program to our reasonable satisfaction, we will give you a reasonable time to find a substitute General Manager. If you do not complete the Initial Training Program to our reasonable satisfaction, we have the right to terminate the Franchise Agreement without refunding any money to you.

We will provide training to you and your General Manager on the System, System guidelines, and operational and brand standards. We will not train or assist in training your employees or independent contractors. You will be responsible for training your employees and independent contractors. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the Business.

We plan to provide the training listed in the table below. The hours presented for each subject are estimates, as our training program continues to evolve. This training schedule is fully detailed in the Brand Standards Manual and will change from time to time.

If you ask us to permit your new hires to attend the Initial Training Program, or if we believe that one of your employees has not been adequately trained by you, we reserve the right to require that such person attend the Initial Training Program. We will have the right to charge the then-current tuition fee (currently $1,500 per person if you come to a Cleaning, Sealing and Staining Business operated by us, or $2,500 if we send our personnel to your franchise) for each additional trainee, and you will be responsible for that person's salary and costs associated with his or her attending the program such as travel, lodging and meals.

We plan to provide the training listed in the table below. This training schedule is fully detailed in the Brand Standards Manual and will change from time to time (Franchise Agreement, Articles 9 and 10).

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Administration	6	2	Franchisee's location, Corporate location or other franchise location.
Sales	8	24	
Operations	8	32	
TOTALS	**22**	**58**	

The instructional materials used for all topics of training will consist of the Brand Standards Manual.

Our Trainers

Below is a list of our trainers as of the issuance date of this Franchise Disclosure Document. We may replace any or all of our trainers with qualified replacements.

President and Chief Executive Officer: Terry Rennie
Terry Rennie is our President and Chief Executive Officer, and has owned and operated Perma Treat® businesses since 2015. Rennie will be involved with all phases of the Initial Training Program.

COO: Michele Brickwood
Michele Brickwood is our Chief Operating Officer, and has been with us since 2016. Brickwood will be involved with all phases of the Initial Training Program, including the Call Center, QuickBooks, and daily reports.

In the event you are not operating your Cleaning, Sealing and Staining Business according to the Brand Standards Manual, we have the right to require you and your staff to attend additional training, which will occur (at our option) either at your Cleaning, Sealing and Staining Business or at a Cleaning, Sealing and Staining Business we operate. You may also request additional training, which we will provide at our option and subject to our availability. We will charge you our then-current tuition fee as published in the Brand Standards Manual, which is currently $1,500 if you attend training at a Cleaning, Sealing and Staining Business operated by us, or $2,500 if we send one of our personnel to your Cleaning, Sealing and Staining Business. You must reimburse us for all travel, lodging, meals, and other expenses we incur if we conduct training away from our headquarters. You must pay all travel, meal, lodging, salary, and living expenses for your attendees if the training occurs at a Cleaning, Sealing and Staining Business other than yours.

You (or your General Manager), and/or other previously trained and experienced employees must attend and satisfactorily complete various training courses that we periodically provide at the times and locations we designate. We will not require attendance at more than 2 national or regional meetings, or spend more than 4 days at national or regional meetings or training courses (after you complete the initial training program) per calendar year. Besides attending these courses, you must attend an annual meeting of all franchisees at a location we designate. You are responsible for all related travel and living expenses and wages.

Warranty Fund

We administer the Warranty Fund. The purpose of the Warranty Fund is to protect the Marks and ensure that we are able to address warranty claims that we may choose to address for the goodwill of the System, at our sole discretion. During each and every month of the Term, you must pay us the Warranty Fund Fee, which we will deposit into the Warranty Fund. The Warranty Fund Fee will be one percent (1%) of your monthly Gross Sales. The fees you pay to the Warranty Fund are not refundable. (Franchise Agreement Section 6.6)

Each franchisee will be required to contribute to the Warranty Fund but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Cleaning, Sealing and Staining Businesses owned by us will contribute to the Warranty Fund on the same basis as franchisees. The Warranty Fund may be commingled with our operating account and may not be in a separate bank account, commercial account or savings account. We have no fiduciary duty to you or to any other person with respect to the collection or expenditure of the Warranty Fund.

We have complete discretion on how the Warranty Fund is utilized and we may use the fund to: (i) pay for any warranty work we may choose to perform for any customer of a Cleaning, Sealing and Staining Business, (ii) collect and account for contributions to the fund; (iii) prepare and distribute financial accountings of the fund; (iv) pay for any other programs we deem necessary or appropriate to protect the goodwill of the System related to warranty work or customer satisfaction; and (v) pay our and our Affiliates' expenses associated with direct or indirect labor, administrative, overhead or other expenses incurred in relation to any of these activities.

If you fail to complete warranty work on the services you provide to your customers, and we (either directly or indirectly through an agent, independent contractor, or another Cleaning, Sealing and Staining Business) address, repair, or otherwise correct the condition on the work that you performed, then you must reimburse us for the costs (including labor costs, travel costs) and expenses incurred in performing that work, plus a twenty percent (20%) administrative fee. We are not required to directly or indirectly perform any warranty work on your behalf or otherwise assume your warranty work, as performing warranty work is your sole responsibility.

The Warranty Fund is not audited. Upon your written request, we will provide to you an annual accounting for the Warranty Fund that shows how the Warranty Fund proceeds have been spent for the previous year. We may, in our sole discretion, terminate the Warranty Fund or suspend or terminate our collection of the Warranty Fund Fee. (Franchise Agreement, Section 9.20).

ITEM 12

TERRITORY

Franchise Agreement

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.

You will receive a territory within which you will operate your Cleaning, Sealing and Staining Business and you will have the ~~exclusive~~ right to service customers within your territory. ~~You~~Your territory is not exclusive because we reserve the right to establish National Accounts, which we may ~~face competition from other channels of distribution or competitive brands that we control.~~be in your territory and which we may service have another franchisee service.

The Franchise Agreement specifies that we will not establish, nor license another party to establish or operate another Cleaning, Sealing and Staining Business under the Marks within the area identified on Addendum 1 to your Franchise Agreement (the "Protected Territory"). This proximity protection will remain for the initial franchise term. You and we will mutually select, define and agree upon your Protected Territory before you sign the Franchise Agreement. Your Protected Territory may be defined by reference to streets, natural boundaries or zip code or may be one or more cities, counties or states, or some other defined area, as constituted on the date of the Franchise Agreement.

Your Protected Territory will have a minimum population of 100,000 people. In determining the total population within your Protected Territory, we generally consult the United States Census estimate, available via the Internet website located at quickfacts.census.gov.

You will operate your Cleaning, Sealing and Staining Business from an office, which may be located in your home (the "Business Office"). Your Business Office does not have to be located within your Protected Territory. You must have a storage facility within which you are able to store your service tools, materials and equipment (the "Storage Facility"). Your Storage Facility may be located in your home if you have sufficient space and it complies with applicable law. Your Storage Facility must be located in your Protected Territory if it is not in your home, unless we have approved you to locate it elsewhere. Some of the materials you will use to operate your Cleaning, Sealing and Staining Business may have special storage and use requirements because of the chemical nature of the materials. You are responsible to ensure you are storing those materials as required by applicable law or otherwise.

You are permitted to distribute advertising items (i.e., coupons, circular advertising, or other forms of advertising that we permit) outside of your Protected Territory. Other Cleaning, Sealing and Staining Businesses will be permitted to conduct permitted advertising within your Protected Territory. You do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Protected Territory.

You may use, reference or promote the Perma Treat® Marks or System in connection with social media networks or platforms, but you may do so only with our approval. You are not permitted to have an individual website for your Cleaning, Sealing and Staining Business, but we (so long as you are in compliance with the Franchise Agreement) will list your Cleaning, Sealing and Staining Business on our overall Internet web site, and we may provide you the opportunity to add some content to that site.

You and our other franchisees may be given the non-exclusive right to operate your Cleaning, Sealing and Staining Businesses in areas contiguous to your Protected Territory that have not been assigned to another franchisee (each an "Unassigned Territory"). You do not receive any right of first refusal or other rights of any type to acquire additional franchises because of your operations in an Unassigned Territory, and we may cancel or modify your right to operate in an Unassigned Territory at any time. After we give notice to you to cease operating in an Unassigned Territory, you may (for a maximum of 15 days) provide Authorized Products and Services for which appointments or orders were received before we gave you notice to cease operating in the Unassigned Territory. Except as described in this paragraph, we do not allow you to solicit or accept business from customers outside of your Protected Territory.

Your Protected Territory will not be altered during the initial term of the Agreement if there is a population increase or decrease. We have the right to terminate our grant, or reduce the size, of your Protected Territory if you default under the Franchise Agreement for, among other things, failing to maintain our standards or failing to pay the royalty and other fees when they become due. There are no other circumstances under which we will modify your territorial rights.

On renewal, acquiring a successor franchise, or transferring your franchise, your Protected Territory may be modified. Depending on the then-current demographics of the Protected Territory, and on our then-current standards for territories, if the Protected Territory is larger than our then-current standard territory, we may require you or the transferee to accept a successor franchise territory or a transfer territory smaller than the Protected Territory.

National Accounts

National Accounts are (i) potential or existing commercial customer that has multiple sites, offices, or retail premises located within and outside of the Protected Territory; (ii) government agencies, branches or facilities (including the military); and (iii) any other customer whose presence is not confined to the Protected Area.

To competitively attract and effectively service National Accounts, we may establish policies governing the manner that National Accounts are solicited and serviced, including reserving to us, our affiliates or even to other franchisees, the exclusive right to solicit, enter into and service national or regional contracts with National Accounts. You may not solicit National Accounts without our prior written consent. We may offer you a subcontract to furnish Authorized Products and Services on our behalf to National Accounts located in your Protected Territory in our sole discretion and subject to the applicable customer's approval and terms and conditions. You are not obligated to accept any subcontract for a National Account. If we offer you a subcontract for a National Account and you accept the offer, you must sign a subcontract in the form we prescribe. If you decline the offer, or if you accept the offer, but we are advised by the National Account or we believe in good faith that the National Account is dissatisfied with your work, or it is otherwise necessary in our judgment in order to preserve the National Account or our reputation, we may offer the subcontract for the National Account to another franchisee or service the National Account ourselves. (Franchise Agreement, Article 9)

Limitations on Territorial Rights Under Franchise Agreements

Except as stated above, we and our affiliates retain all rights in the Protected Territory for engaging in any activities we deem appropriate whenever and wherever we desire, including, but not limited to the following rights:

(1) The right to establish or operate or license any other person or entity to establish other facilities, businesses, kiosks, outlets, or Internet websites under trademarks or names other than the Marks, which are not Perma Treat® Cleaning, Sealing and Staining Businesses, inside or outside of your Protected Territory. These businesses may offer services similar to those you offer at your Cleaning, Sealing and Staining Business, but will not be operated under the Marks.

(2) The right to provide, offer and sell and to grant others the right to provide, offer and sell goods that are identical or similar to and/or competitive with those provided at Cleaning, Sealing and Staining Businesses, whether identified by the Marks or other trademarks or service marks, through dissimilar channels of distribution (including retail stores, hardware stores, the Internet, and electronic media) both inside and outside your Protected Territory and on any terms and conditions we deem appropriate.

(3) The right to operate, and to grant others the right to operate Cleaning, Sealing and Staining Businesses located anywhere outside your Protected Territory under any terms and conditions we deem appropriate and regardless of proximity to your Protected Territory.

(4) The right to advertise and promote, and to permit other franchisees to advertise and promote, other Cleaning, Sealing and Staining Businesses operated under the System and the Marks within your Protected Territory.

(5) The right to maintain any websites utilizing a domain name incorporating the Marks or derivatives of them. We retain the sole right to advertise and market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, metatags, linking, advertising, and co-branding and other arrangements.

(6) The right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Cleaning, Sealing and Staining Businesses, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licenses of these businesses) are located or operating (including in your Protected Territory.). We will not, however, permit any such business located within your Protected Territory to operate under our Marks.

(7) The right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Cleaning, Sealing and Staining Businesses, or by another business, even if such business operates, franchises, and/or licenses competitive businesses within your Protected Territory. We will not, however, permit any such business located within your Protected Territory to operate under our Marks.

(8) Solicit, sell to and service National Accounts, wherever located, including in the Protected Territory, provided that we may, in our discretion, establish and modify or withdraw, from time to time, the terms and conditions upon which you may solicit or service National Accounts. Only we will have the right to enter into contracts with National Accounts (which may include facilities within the Protected Territory).

We are not required to pay you if we exercise any of the rights specified above within your Protected Territory.

Right of First Refusal

We do not customarily grant to franchise owners options, rights of first refusal or similar rights to acquire additional franchises outside of their respective protected territories.

Other Franchise Systems

Although we and our affiliates have the right to do so (as described above), neither we nor our affiliates have operated or franchised, and currently have no plans to operate or franchise, other businesses selling or leasing similar products or services under different trademarks. If we or our affiliates purchase, merge, acquire, are acquired by or affiliate with an existing competitive franchise network, chain or any other business, then we or our affiliates will have the right to operate, franchise or license those businesses and/or facilities under marks different than the Marks in your Protected Territory.

ITEM 13

TRADEMARKS

Under the Franchise Agreement, we grant you the nonexclusive right to use our Marks in connection with the operation of your Cleaning, Sealing and Staining Business. You may also use our other current or future trademarks to operate the Cleaning, Sealing and Staining Business. The following marks are registered on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Trademark	Application Number Application Date	Registration Number Registration Date	International Class of Goods
Perma Treat® (Word Mark)	85450291 October 18, 2011	4232632 October 30, 2012	IC 002 IC 003 IC 037

All required affidavits relating to the registered Marks shown above have been filed.

All Marks are owned by us and we have the right to use and franchise the Marks and associated trade names, trademarks, service marks, logotypes and other commercial symbols and copyrights and proprietary materials in the United States by and to operators of Cleaning, Sealing and Staining Businesses. We have the right to change the name under which we and our franchisees operate and continue to operate and license the existing Cleaning, Sealing and Staining Businesses under a different name. Except as described above, no currently effective agreements significantly limit our rights to use or license the use of the Marks.

There are presently no effective determinations by the USPTO, the Trademark Trial And Appeal Board, the Trademark Administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding involving the Marks.

We are unaware of any infringing uses that could materially affect your use of our Marks.

You will have the right to use all of our Marks in the operation of your Cleaning, Sealing and Staining Business. However, you must use the Marks only for the operation of your Cleaning, Sealing and Staining Business and in the manner authorized by us. You cannot use the names or Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use our Marks in connection with the sale of unauthorized goods or services, or in a manner not authorized in writing by us.

You must notify us immediately in writing of any apparent infringement or challenge to your use of our trademarks. We have the sole discretion to take such action as we deem appropriate. We are not obligated by the Franchise Agreement or other agreement to participate in your defense or to indemnify you if you are a party to any administrative or judicial proceeding involving our Marks. We will have sole control over any litigation or proceeding.

You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the Marks or unfair competition resulting from that use.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Marks, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions

for such modification, discontinuance, or substitution within a reasonable time after you receive notice from us. You, in connection with the use of a new or modified mark, may be required, at your own expense, to remove existing signs from your Cleaning, Sealing and Staining Business, and to purchase and install new signs. We do not have to reimburse you for the costs you incur for making these changes.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

No patents are material to the franchise at this time.

We claim copyright protection of the Brand Standards Manual and related materials and other brand identity/marketing/advertisement/promotional materials, although such materials may not have been registered with the United States Copyright Office. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate.

There currently are no effective determinations of the Copyright Office (Library of Congress), or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend any patent, trademark, or copyright.

Improvements

If you or your employees make or acquire any improvements, including any enhancements, adaptations, derivative works, modifications or new processes ("Improvements") in the operation of your Cleaning, Sealing and Staining Business, you will grant-back exclusive rights in these Improvements to us in consideration of the grant of the franchise and without the payment of additional consideration. Improvements will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a "work-made-for-hire" for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights to the item.

We may include any Improvements we made or acquired in the System, including any and all intellectual property rights of ours and affiliate or services and products of the Cleaning, Sealing and Staining Business, Brand Standards Manual and the System for use by all franchisees, us or any affiliate. If we seek patent protection or copyright registration for any Improvements, we will do so at our own expense. You will sign or have the creator sign all documents necessary to enable us to apply for intellectual property rights protection and to secure all rights to these Improvements. You will have each of your employees sign an agreement requiring employee cooperation with these requirements. You must obtain our express written consent before making any modification or derivative work.

Confidential Information

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of the System (the "Confidential Information"). We will disclose certain of the Confidential Information to you during the training programs, seminars and conventions, in the Brand Standards Manual and in guidance furnished to you during the term of the Franchise Agreement.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of a Cleaning, Sealing and Staining Business during the term of the Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that you (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (4) will adopt and implement all reasonable procedures required by us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosure of Confidential Information to employees of your Cleaning, Sealing and Staining Business.

The Brand Standards Manual will at all times remain our property exclusively. We may revise the Brand Standards Manual, and you must comply with each new or changed standard, although these new and changed standards will not materially affect your rights and responsibilities under the Franchise Agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Cleaning, Sealing and Staining Business must be a business entity, must at all times be under the direct, day-to-day, full-time supervision of your General Manager, and the General Manager must be approved by us. You may serve as your General Manager. You and your General Manager, if applicable, will be required to attend and successfully complete our Initial Training Program. If your General Manager is unable to complete (or pass) our Initial Training Program, we will require you to designate an alternative manager that must attend and pass the Initial Training Program. You and your General Manager must use best efforts in the operation of your Cleaning, Sealing and Staining Business.

Because you are a legal entity, all of your directors, members, partners, and/or officers and any individual that owns an interest in you or the Franchise Agreement must sign our Owner Agreement assuming and agreeing to be personally responsible for all of the obligations of the Franchise Agreement, and agree to be bound by the confidentiality provisions and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interests. The required Owner Agreement is attached to the Franchise Agreement as Addendum 2. If you are married, we require your spouse to sign the Owner Agreement. You also must ensure that your General Manager and any of your employees that have access to our trade secrets and confidential information each sign the Confidentiality/Non-Competition Agreement or Confidentiality Agreement (Exhibit H), and you must forward a copy of these signed agreements to us.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer for sale only services and products that have been approved and specified by us in the Brand Standards Manual and any updates that are incorporated in the Brand Standards Manual from time to time. You may not offer for sale any services or products not specifically approved by us in writing and you may not use your Cleaning, Sealing and Staining Business for any other purpose than the operation of a Cleaning, Sealing and Staining Business and the sale of services or products approved by us. You must

offer any products and/or services that we designate as required products and/or required services in the Brand Standards Manual. There are no limits on our ability to make changes to the services or products we require you to sell.

You may not sell products or services to customers located within another franchisee's Protected Territory. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales. You may not establish an account or participate in any social networking sites or mention or discuss the franchise, us or any of our affiliates, without our prior written consent and subject to our on-line policy.

If permitted by applicable law, we may require that you participate in a gift card or other customer loyalty program in accordance with our policies and procedures. In order to participate, you may be required to purchase additional equipment and pay any fees relating to the use of that equipment. If we establish a gift card or loyalty program, we have the right to determine how the amount of the gift cards or loyalty cards will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards.

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 agreement attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 5.1	Agreement starts on the date it is signed and ends 5 years after the date you open your Cleaning, Sealing and Staining Business for business.
b. Renewal or extension of the term	Section 5.2	You are permitted to acquire 4 additional terms of 5 years each if you meet the requirements listed in Article 5 of the Franchise Agreement

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 5.2	Advance written notice, not less than 90 days or more than 180 days, to renew; sign most current form of Franchise Agreement which may contain substantially different terms and conditions than your current Franchise Agreement, including a smaller geographic Protected Territory or higher, additional or different fees; each of your owners must execute a general release in the then-current form; you cannot be in default of any provision of the Franchise Agreement and not have committed two or more breaches of the Franchise Agreement during any 12-month period during the term; have the right to continue to occupy your approved location or move to a different location we approve; you must make such changes to bring your Cleaning, Sealing and Staining Business up to our current standards; prove that you have all current licenses, insurance, and permits; have fully performed your obligations under the Franchise Agreement, including your obligation to be current in payment of all monetary obligations to us; be in compliance with our then-current training requirements; and, pay our successor agreement fee of twenty thousand dollars ($20,000). If you seek to acquire a successor franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.
d. Termination by franchisee	Section 17.7	You may terminate the Franchise Agreement by notice to us if we fail to perform material obligations. You must give us notice, and 60 days to cure or commence cure.
e. Termination by franchisor without cause	Not applicable.	Not applicable.
f. Termination by franchisor with cause	Section 17.1 – 17.4	We can terminate the Agreement, automatically or by notice to you, with or without a cure period, if you breach a material provision of the Franchise Agreement.
g. "Cause" defined - curable defaults	Sections 17.3 and 17.4	You have 30 days after notice to cure breaches relating to your: (a) failure to obtain or maintain required insurance coverage; (b) failure to pay any amounts due to us; (c) failure to pay any amounts for which we have advanced funds for or on your behalf, or upon which we are acting as guarantor of your obligations; (d) employees or independent contractors failure to obtain and maintain any permit or license necessary for operating your Cleaning, Sealing and Staining Business; (e) owners engaging in a dispute with one another (deadlock) that materially affects the operation of your Cleaning, Sealing and Staining Business, which dispute or deadlock remains unresolved after the expiration of the 30-day cure period; (f) failure to resolve customer complaints and/or disputes in a timely manner; or (g) failure to make a timely payment of any amount due to a supplier unaffiliated with us (other than payments which are subject to a bona fide dispute), and do not correct such failure within thirty (30) days after we deliver to you notice of your failure to comply

Provision	Section in Franchise Agreement	Summary
		You will have 30 days after notice to cure any breaches of the Franchise Agreement not listed in Sections 17.1, 17.2, or 17.3.
h. "Cause" defined – non-curable defaults	Sections 17.1 and 17.2	Your Franchise Agreement will terminate automatically, without your ability to cure any defaults, if you: (a) Become insolvent or make a general assignment for the benefit of creditors; (b) File a petition in bankruptcy, or such a petition is filed against you and you do not oppose it, or are adjudicated as bankrupt or insolvent. (c) Have a bill in equity or other proceeding for the appointment of a receiver of (1) you; (2) the Cleaning, Sealing and Staining Business; or (3) another custodian for your business or assets, is filed or consented to by you, or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part of them, is appointed by any court of competent jurisdiction. (d) Have proceedings for a composition with creditors under any state or federal law instituted by or against you. (e) Have a final judgment against you in the amount of twenty five thousand ($25,000) dollars or more that remains unsatisfied or of record for thirty (30) days or longer. (f) Dissolve or liquidate. (g) Have execution levied against your business or property. (h) Have the real or personal property of the Franchised Business sold after levy by any sheriff, marshal, or constable, or foreclosed upon. You will not have an opportunity to cure defaults, and we are entitled to terminate the Franchise Agreement upon notice, if you: (i) Fail to open your Cleaning, Sealing and Staining Business on or before the date required under the Franchise Agreement; (j) Abandon your Cleaning, Sealing and Staining Business or fail to keep it open for a period of three (3) consecutive days, unless it is for a reason beyond your control; (k) Or any of your managers, officers, members, directors, or owners are convicted of or plead no contest to a felony or other criminal misconduct relevant to the operation of your Cleaning, Sealing and Staining Business; (l) Make an unauthorized transfer of the business; (m) Fail to comply with any material federal, state, or local law or regulation applicable to the operation of your Cleaning, Sealing and Staining Business; (n) Receive from us 2 or more notices of default under the Franchise Agreement within a 12 month period regardless of whether you cured those defaults; (o) Submit on two or more occasions during the term financial information which understates your Gross Revenue by more than 2%, unless you demonstrate that such understatement resulted from inadvertent error; (p) Make any material misrepresentations relating to your acquisition of the franchise or in connection with the operation of the franchise including any intentional understatement of revenue or failure to report revenue;

Provision	Section in Franchise Agreement	Summary
		(q) Fail to allow or cooperate with audits or inspections; (r) Violate any covenant not to compete or relating to confidential information; (s) Interfere or attempt to interfere with our actual or prospective contractual relations with any person or company; (t) Engage in any activity that has a material adverse effect on the System or the Marks; (u) Offer or sell any unapproved product, service or program in your Cleaning, Sealing and Staining Business or do not sell Authorized Products or Services; (v) Challenge the validity of, materially misuse, or make any unauthorized disclosure, use, or duplication of our Confidential Information or our Marks; (w) Or any of your owners, officers, directors, managers, members, agents, or employees make any misrepresentation relating to, or violate, the United States' laws against terrorism; or (x) Or your affiliates breach the terms of any other agreement with us or our affiliates, which default remains uncured after the expiration of any applicable cure period.
i. Franchisee's obligations on termination/non-renewal	Articles 16 and 18	Upon termination you must cease operating as a Cleaning, Sealing and Staining Business, not compete with us, not divert employees or customers, not use our confidential information, pay all sums due us, cease to use the Marks, cancel any fictitious name which contains the Marks, turn over all Brand Standards Manual, records, files and any materials relating to the operation of your Cleaning, Sealing and Staining Business, cancel or transfer all telephone numbers and directory listings to us, comply with all covenants, and pay us liquidated damages.
j. Assignment of contract by franchisor	Section 15.1	We may transfer all or any part of the System, the Franchise Agreement, or the Marks without your consent.
k. "Transfer" by franchisee – defined	Section 15.2	Includes transfer of contract, your Cleaning, Sealing and Staining Business, assets, or change of any portion of your ownership.
l. Franchisor approval of transfer by franchisee	Section 15.2	You cannot transfer the Franchise Agreement without our consent.
m. Conditions for franchisor approval of transfer	Section 15.3	We have the right to condition our approval of any transfer proposed by you upon the following: (a) You must be in full compliance with the Franchise Agreement and pay all outstanding fees owed to us or our its affiliates; (b) You must pay in full any amounts financed by us; (c) We must have declined our right of first refusal; (d) Your transferee must complete and submit all applications required for prospective franchisees at the time of the assignment and be approved by us; (e) Your transferee must execute our then-current form of franchise agreement, or assume your existing franchise agreement (at our option); (f) You must pay us a transfer fee of $10,000 plus expenses incurred for the transfer; (g) At your or your transferee's expense, upgrade, remodel, or replace the assets used by your Cleaning, Sealing and Staining Business;

Provision	Section in Franchise Agreement	Summary
		(h) Your transferee must have completed the initial training program to our satisfaction; (i) You and your owners must execute a general release of all claims against us, our affiliates, and shareholders, officers, directors, employees, agents, successors, and assigns; (j) If any part of the sale price is financed, you must agree that all obligations of the transferee under any promissory note or financing statement will be subordinate to its obligations to pay amounts due to us and our Affiliates; (k) Your transferee must assume all of your liabilities and obligations relating to your Cleaning, Sealing and Staining Business, including those related to the warranty you offer customers; and (l) You must execute a written agreement not to compete in favor of us and your transferee, with terms the same as those contained in your Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 15.4	You must give us written notice of intent to sell or otherwise transfer the Franchise Agreement at least 60 days before you intend to transfer. We have 30 days from the date that you give us written notice to determine whether we will exercise our right of first refusal. We can match any bona fide written offer for your Cleaning, Sealing and Staining Business.
o. Franchisor's option to purchase franchisee's business	Section 18.5	At termination or expiration of the Franchise Agreement, we have the option to purchase your assets for fair market value. The fair market value will be determined by an independent third party we select.
p. Death or disability of franchisee	Sections 15.6 and 17.9	The estate of the deceased or incapacitated franchisee must, within fifteen (15) days from the date of death or disability, appoint a new General Manager if the deceased or incapacitated person was the General Manger. If that does not happen, we have the ability to exercise our Step-In Rights and operate your Cleaning, Sealing and Staining Business until a new General Manager is appointed. You or your estate will have six (6) months from death, disability, or incapacity to transfer your franchise to a new person approved by us.
q. Non-competition covenants during the term of the franchise	Section 16.4	You must not be in a competing business anywhere and must not attempt to divert customers of your Cleaning, Sealing and Staining Business to any competitive business. Unless we agree otherwise in writing, you may have no involvement in any business that: (i) sells or offers to sell services the same as or similar to the type of services sold in Cleaning, Sealing and Staining Businesses (including but not limited to the Authorized Services); or (ii) sells or offers to sell products the same as or similar to the type of products sold in Cleaning, Sealing and Staining Businesses (including but not limited to the Authorized Products), other than a Cleaning, Sealing and Staining Business operated under a valid Franchise Agreement with us.

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Sections 16.5 and 16.6	You will not engage in a competing business within: (a) twenty-five (25) miles of Franchisee's Protected Territory; or (b) ten (10) miles of any other Cleaning, Sealing and Staining Business that is then open or in development, for a period of 3 years after your Franchise Agreement is terminated or expires. You may have no involvement in any business that: (i) provides or offers to provide services the same as or similar to the type of services sold in Cleaning, Sealing and Staining Businesses; or (ii) sells or offers to dispense products the same as or similar to the type of products sold in Cleaning, Sealing and Staining Businesses. You must not solicit customers or employees of your Cleaning, Sealing and Staining Business or any other Cleaning, Sealing and Staining Business for a period of three (3) years. Except in the operation of a Cleaning, Sealing and Staining Business under a valid franchise agreement, you may not use our Trade Secrets in any business or other endeavor after your Franchise Agreement is terminated or expires. You must completely disassociate yourself from the Marks and return the Brand Standards Manual and other confidential materials provided to you by us. You may not divert any business from us or seek to employ any of our employees or franchisees. You must also cancel or transfer all telephone numbers and directory listings to us.
s. Modification of the agreement	Section 20.3	Changes to the Franchise Agreement must be made in writing and agreed to by both parties.
t. Integration/merger clause	Section 20.13	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 19	Subject to federal and your state's law, all disputes, except as explicitly listed in the Franchise Agreement, must first be submitted to non-binding mediation in accordance with the commercial mediation rules of the American Arbitration Association ("AAA"). If the mediation is not successful, then the dispute must be submitted to arbitration before the AAA.
v. Choice of forum	Section 19.9	Subject to state law, any litigation must be pursued in courts located in Las Vegas, Nevada. See any state-specific addendum attached in Exhibit F.
w. Choice of law	Section 19.1	Federal trademark law, and other federal laws govern where applicable. Otherwise, Nevada law applies, except where individual state laws supersede, as reflected in any state-specific attachment to the Franchise Agreement, subject to state law.

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote our franchise at this time.

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.

The average gross sales for all outlets operating in 2016 for the entire year is $178,911.14. -The median gross sales for all outlets operating in 2016 for the entire year is $157,755.19. There were 4 outlets operating in 2016 for the entire year, one company-owned outlet and three franchise outlets, and we used the gross sales of each outlet to prepare this Financial Performance Representation. Two of these outlets achieved the average gross sales. The average gross sales for all outlets operating in 2017 for the entire year is $203,157.6. The median gross sales for all outlets operating in 2017 for the entire year is $287,900.08. There were 3 outlets operating in 2017 for the entire year, all franchises, and we used the gross sales from each outlet to prepare this Financial Performance Representation. —. Two of these outlets achieved the average gross sales.

For the year 2018, our franchise* outlets achieved the gross sales listed below.

Outlet Number	2018 Gross Sales
1*	$310,356.38
2	$218,008.25
3	$86,252.88
4	$231,643.38
5	$274,564.50
2018 Average Sales	$224,165.08
2018 Median Sales	$231,643.38

* The first outlet listed in the above table was operated as a franchise until the end of October 2018. Our affiliate operated the outlet during the period from the end of October 2018 through December 31, 2018.

The gross sales numbers used to prepare this Financial Performance Representation do not include sales tax or discounts. There are no material differences in the gross sales of franchise and company-owned outlets.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

Other than the preceding financial performance representation ~~given above~~, we do not make any ~~representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets~~representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting to Michele Brickwood at Perma Treat, Inc., 118 Corporate Park

Drive, Suite 117, Henderson, NV 89074, phone: (877) 346-4717 or email: ~~michele@perma-treat.com.~~michele@perma-treat.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1.

Systemwide Outlet Summary for Years 2016 through 2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	0	3	+3
	2017	3	5	+2
	2018	5	5	0
Company-Owned*	2016	4	1	-3
	2017	1	1	0
	2018	1	1	0
Total Outlets	2016	4	4	0
	2017	4	6	+2
	2018	6	6	0

*Our "Company-Owned" outlets are owned by our affiliate, PTLVII.

TABLE NO. 2

Transfers of Outlets from Franchisees to New Owners (Other than Franchisor or an Affiliate) for Years 2016 through 2018

State	Year	Number of Transfers
Idaho	2016	0
	2017	0
	2018	0
Nevada	2016	0
	2017	0
	2018	0
Oregon	2016	0
	2017	0
	2018	0
Utah	2016	0
	2017	0
	2018	0
Washington	2016	0
	2017	0
	2018	0
Idaho	2016	0
	2017	0
	2018	0

TABLE NO. 3

Status of Franchised Outlets for Years 2016 through 2018

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
Idaho	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Nevada	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Oregon	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	1	0	0	0	0
Utah	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Washington	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Totals	2016	0	3	0	0	0	0	3
	2017	3	2	0	0	0	0	5
	2018	5	1	1	0	0	0	5

TABLE NO. 4

Status of Company-Owned Outlets for 2016 through 2018

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Idaho	2016	1	0	0	0	0	1
	2017	1	0	0	0	1	0
	2018	0	0	0	0	0	0
Nevada	2016	0	1	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	0	1	0	0
Oregon	2016	1	0	0	0	0	1
	2017	0	0	0	0	0	0
	2018	0	1	0	0	0	1
Washington	2016	1	1	0	0	1	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
Totals	2016	4	0	0	0	3	1
	2017	1	1	0	1	0	1
	2018	1	1	0	1	0	1

TABLE NO. 5

Projected Openings for 2019 As of December 31, 2018

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Arizona	0	1	0
California	0	1	0
Colorado	0	1	0
Texas	0	1	0
Totals	0	4	0

No Franchisees have signed a confidentiality clause in a Franchise Agreement, settlement agreement or other contract within the last three years that would restrict their ability to speak openly with you about their experience with us.

A list of our current franchisees as of the end of our fiscal year on December 31, 2018 is attached to this Disclosure Document as "Exhibit I-1." A list of franchisees that signed an agreement with us but were not yet operational as of the end of our fiscal year on December 31, 2018 is attached to this Disclosure Document as "Exhibit I-2."

Other than the franchisees listed in "Exhibit I-3," no Franchisee had an agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during our most recently completed fiscal year, 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.

We have not created, sponsored, or endorsed any trademark-specific organization of franchisees associated with our franchise system. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Attached to this FDD as Exhibit C are our audited financial statements as of December 31, 2016, December 31, 2017, and December 31, 2018. Our fiscal year ends on December 31st.

ITEM 22

CONTRACTS

The contracts following this Item 22 are listed in the order in which they appear as exhibits to this Franchise Disclosure Document. At this time, these are the only contracts that we expect that we will enter into with a franchisee in any state, although we reserve the right to enter into different types of contracts with its franchisees as our business develops. As a prospective franchisee, you should obtain independent legal and financial advice concerning this franchise offering as you deem appropriate before making any commitment.

Exhibit A: List of State Administrators and Agents for Service of Process
Exhibit B: The Franchise Agreement

Addenda to Franchise Agreement:

1. Information Regarding You and the Franchised Business; Protected Territory
2. Owner Agreement
3. Electronic Funds Transfer Authorization
4. Franchise Relationship Acknowledgement

Exhibit C: Financial Statements
Exhibit D: Brand Standards Manual Table of Contents
Exhibit E: Form of General Release
Exhibit F: State-Specific Addendum
Exhibit G: Compliance Questionnaire
Exhibit H: Confidentiality and Non-Compete Agreement and Confidentiality Agreement
Exhibit I: List of Franchisees
Exhibit J: Franchise Deposit Acknowledgment
Exhibit K: Promissory Note
Exhibit L: Franchise Disclosure Document Receipts

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Franchise Disclosure Document are attached to this Franchise Disclosure Document as Exhibit L. Please complete both copies, detach and return the copy marked "Our Copy" to us and keep the other copy in the Franchise Disclosure Document for your own records.

Perma Treat, Inc.

EXHIBIT A

List of State Administrators and Agents for Service of Process

EXHIBIT A
LIST OF STATE AGENTS FOR THE SERVICE OF PROCESS AND STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

State	Agents for Service of Process	Administrators
California	California Commissioner of Business Oversight: Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90012-2344 San Diego: 1350 Front Street, Suite 2034 San Diego, CA 92101-3697 San Francisco: 71 Stevenson Street, Suite 2100 San Francisco, CA 94105	Commissioner Department of Business Oversight One Sansome Street, #600 San Francisco, CA 94104 (866) 275-2677
Connecticut	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230
Florida	Division of Consumer Services Attn: Business Opportunities Florida Department of Agriculture and Consumer Affairs Mayo Building Tallahassee, FL 32399-0800	Senior Consumer Complaint Analyst Florida Department of Agriculture and Consumer Affairs Mayo Building, Second Floor Tallahassee, FL 32399-0800 (850) 922-2966 or (850) 488-2221
Georgia	Office of the Governor Office of Consumer Affairs 2 Martin Luther King Jr. Drive SE Plaza Level – East Tower Atlanta, GA 30334	Office of Consumer Affairs 2 Martin Luther King Jr. Drive SE Plaza Level – East Tower Atlanta, GA 30334
Hawaii	Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808)-586-2722	Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813 (808)-586-2722
Illinois	Illinois Attorney General Attorney General's Office 500 South Second Street Springfield, IL 62706	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465

State	Agents for Service of Process	Administrators
Indiana	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204	Chief Deputy Commissioner Securities Divisions 302 West Washington Street Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
Iowa	Securities Division Lucas State Office Building Des Moines IA 50319	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, IA 50319-0066 (515) 281-4441
Kentucky	Attorney General's Office Consumer Protection Division Capital Building Frankfort, KY 40601-01875	Attorney General's Office Consumer Protection Division Capital Building Frankfort, KY 40601-01875
Louisiana	[Not applicable]	Department of Justice Consumer Protection Office P.O. Box 94095 Baton Rouge, LA 70804-9095
Maine	[Not applicable]	Securities Division State House – Station 121 Augusta, ME 04333
Maryland	Maryland Securities Commissioner Securities Division 200 Saint Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360
Michigan	Michigan Department of Commerce Corporations and Securities Bureau 6546 Mercantile Way Lansing, MI 48909	Consumer Protection Division Antitrust and Franchising Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7th Place East, Suite 250 St. Paul, MN 55101-2198 (651) 539-1500	Deputy Commissioner Minnesota Department of Commerce 85 7th Place East, Suite 250 St. Paul, MN 55101-2198 (651) 539-1500
Nebraska	[Not applicable]	Staff Attorney Department of Banking and Finance 1200 N. Street., Suite 311 PO Box 95006 Lincoln, NE 68509-5006 (402) 471-3445
New Hampshire	[Not applicable]	Office of the Attorney General Consumer Protection and Antitrust Bureau 25 Capitol Street State House Annex Concord, NH 03301

State	Agents for Service of Process	Administrators
New York	Attention: Uniform Commercial Code New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492	Attention: Barbara Lasoff Office of the New York State Attorney General Investor Protection Bureau Franchise Section 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236 Phone (212) 416-6042 Fax
North Carolina	Securities Division Room 302 300 North Salisbury Street Raleigh, NC 27611	
North Dakota	North Dakota Securities Commissioner 5th Floor 600 East Boulevard Bismarck, ND 58505 (701) 328-4712	Franchise Examiner Office of Securities Commissioner 600 East Boulevard 5th Floor Bismarck, ND 58505 (701) 328-4712
Oklahoma	[Not applicable]	Oklahoma Department of Securities The Journal Record Building 621 N. Robinson Street Suite 400 Oklahoma City, OK 73102
Oregon	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387
Rhode Island	State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920	State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920
South Carolina	Secretary of State Capitol Complex Brown Building 1205 Pendleton Street, Room 510 Columbia, SC 29210	[Not applicable]
South Dakota	Division of Insurance Securities Regulation 124 S. Euclid Suite 104 Pierre, SD 57501 (605) 773-3563	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823
Texas	[Not applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
Utah	[Not applicable]	Consumer Protection Division Utah Department of Commerce 160 East 300 South P.O. Box 48504

State	Agents for Service of Process	Administrators
		Salt Lake City, UT 84145-0804 (801) 530-6601
Virginia	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733	State Corporation Commission Division of Securities and Retail Franchising 1300 Main Street, 9th Floor Richmond, VA 23219
Washington	Washington Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501	Administrator Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760
Wisconsin	Commissioner of Securities 345 W. Washington Street, 4th Floor Madison, WI 53703	Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701
Federal Trade Commission		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street NW Washington, DC 20580 (202) 326-3128

Perma Treat, Inc.

EXHIBIT B

Franchise Agreement

FRANCHISE AGREEMENT BETWEEN

Perma Treat, Inc.
118 Corporate Park Drive, Suite 117
Henderson, NV 89074
and

_____
_____
_____

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APPENDIX
Glossary of Terms

ADDENDA
1. Information Regarding You and Your Cleaning, Sealing and Staining Business
2. Owner Agreement
3. Electronic Funds Transfer Authorization
4. Franchise Relationship Acknowledgement

FRANCHISE AGREEMENT

This franchise agreement is entered into on the Effective Date between Perma Treat, Inc., a corporation organized under the laws of Nevada ("**we**," "**us**," or "**our**"), and the legal entity identified in **Addendum 1** to this Agreement ("**you**" or "**your**").

Introduction: This Franchise Agreement

This franchise agreement ("**Agreement**") is written in a conversational tone to make it easier to read. In the context of the Agreement, Perma Treat, Inc. is referred to as "we," or "us." When we refer to things we own or obligations we have, we use the word "our." The person, persons, or legal entity that sign this Agreement are referred to as "you," and the obligations you have or the things you own are referred to as "your." When we refer to "you" or "your," we are also referring to each and every one of your Owners and the obligations that each and every one of your Owners have to us. To further bind you and your Owners, we require each and every one of your Owners to sign the Owner Agreement, which is attached as **Addendum 2** to this Agreement.

In the Agreement, we sometimes capitalize the words we use. These are called "defined terms," and whenever we use one of them, we are referring to the definition we have assigned to the word. When a word appears in parentheses, quotes, and bold, we are informing the reader that the word has been defined by the text surrounding the word where it appears. At the end of the Agreement, in the **Appendix**, we have included for ease of reference a Glossary of Terms to help you easily locate the definition of a defined term.

The Agreement is organized into segments, articles, and sections. In the segment entitled "Recitals," we state the purpose for this Agreement. In the first article, entitled "Your Covenants, Understandings, and Representations," you are making certain representations and statements to us regarding you, your Owners, your understanding of this Agreement and the business relationship we are entering into with you, and your decision to enter into this Agreement with us. In the "Compliance Questionnaire", which is **Exhibit H** to our Franchise Disclosure Document, you are informing us of any statements or promises that we or our salespeople made to you that are not contained in this Agreement or the Franchise Disclosure Document. We will rely on all of the statements, representations, understandings, and promises you make to us in this Agreement and in the Compliance Questionnaire when we decide to counter-sign this Agreement with you.

RECITALS

A. We own a System for the establishment and operation of Cleaning, Sealing and Staining Businesses;

B. We have the right to license the Marks and the System in connection with the operation of Businesses; and

C. You want to obtain the rights to use the Marks and want to be assisted, trained, and licensed by us, as our franchisee, to use the System and the Marks in the operation of your Cleaning, Sealing and Staining Business, and we are willing to grant you such rights under the terms and conditions of this Agreement.

You and we therefore agree as follows:

1. YOUR COVENANTS, UNDERSTANDINGS, AND REPRESENTATIONS

You understand, represent to us, certify, and agree to the following:

1.1. Success Depends Upon You. You are an independently owned and operated business whose success is dependent on your own efforts and those of your management, employees and independent contractors, as well as business conditions in general. You recognize that the business venture contemplated by this Agreement involves business risks.

1.2. System Modifications. We reserve the right to modify any aspect or element of the Trade Dress and/or the System. This includes, but is not limited to, our right to: (1) modify, change or abandon the strategy on which Cleaning, Sealing and Staining Business are currently based; (2) add or change the standards for customer service and products; and (3) require the use of new or different equipment, Trade Dress, or Marks. We will communicate these changes to you through the Brand Standards Manual. You must take prompt action to make any such addition, subtraction, revision, modification or change to your Cleaning, Sealing and Staining Business, and make reasonable expenditures as may be necessary to comply.

1.3. System Variations. Because complete uniformity under various market circumstances may not always be possible or desirable, we, in our discretion, reserve the absolute and exclusive right to vary the standards for any Cleaning, Sealing and Staining Business based upon the customs or circumstances of a particular market area, density of population, existing business practices or any condition that we deem to be of importance to the operation of such franchisee's Cleaning, Sealing and Staining Business. Our contracts with other franchisees may contain provisions that are materially different from this Agreement.

1.4. Independent Investigation. You have conducted your own investigation of all financial requirements, business and legal risks with respect to Cleaning, Sealing and Staining Businesses in general and operating your Cleaning, Sealing and Staining Business in particular. You have had the opportunity to read and review our Franchise Disclosure Document and this Agreement at least fourteen (14) calendar days before signing this Agreement, and to be advised by legal counsel or a personal advisor, or you have chosen not to do so without any influence by us.

1.5. No Representations Regarding Success or Profitability. Neither we, nor anyone acting on our behalf, have made any statements, representations, projections, forecasts, warranties or guarantees (express or implied, written or oral) to you, including any statements regarding the potential financial or business success of your Cleaning, Sealing and Staining Business or with respect to your Cleaning, Sealing and Staining Business' potential, expected or actual Gross Sales, income, profits, earnings or expenses, other than any such statements that are contained in our Franchise Disclosure Document. You have not relied upon any guarantee, warranty, projection, forecast or earnings claim, whether express, implied, purported or alleged, in entering into this Agreement, other than that contained in Item 19 of our Franchise Disclosure Document (if we make any).

1.6. Accuracy of Information. You have ensured that all information you have given us in connection with your application for this franchise was complete and accurate when you gave it to us. You represent to us that there have been no material changes in that information or other changes in material circumstances between the time you submitted the information to us and the Effective Date.

1.7. Permits, Licenses, and Legal Requirements. You understand that Cleaning, Sealing and Staining Businesses are highly regulated businesses and that you will be required, under applicable Legal Requirements, to secure licenses and permission from the appropriate government authorities to operate your Cleaning, Sealing and Staining Business. It is your responsibility to familiarize yourself with all applicable Legal Requirements, and we have made no representations as to the nature of such Legal Requirements or your ability to qualify or comply with them.

1.8. Your Ownership. You are a Business Entity, and you represent that:

1.8.1. Each and every person who is an Owner of ten percent (10%) or more of your equity, stock, membership, or partnership interests has signed the Owner Agreement, attached as **Addendum 2**.

1.8.2. You are duly organized and validly existing under the laws of the state of your organization, and you are duly qualified to transact business in the state in which your Cleaning, Sealing and Staining Business is located.

1.8.3. You have the authority to execute and deliver this Agreement and all related agreements and to perform your obligations under all such agreements.

1.8.4. Your organizing documents state that your activities are restricted to those necessary solely for the development, ownership and operation of a Cleaning, Sealing and Staining Business in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates.

1.8.5. The articles or certificate of incorporation, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interests are restricted by the terms of this Agreement.

1.8.6. All certificates representing direct or indirect legal or beneficial ownership interests in you, now or later issued, do or will bear a legend that conforms with the Legal Requirements reciting or referring to such restrictions.

1.9. Disclosure of Ownership Interests. Each of your Owners represents, warrants and agrees that the statements in **Addendum 1** are current, complete and accurate. You agree that updates or changes to **Addendum 1** will be furnished promptly to us, so that it (as revised and signed by you) is at all times current, complete and accurate.

1.10. Anti-Terrorism Laws. Neither you, nor your Owners, principals, employees or anyone associated with you are listed in the Annex to Executive Order 13224. (The Annex is available at http://www.treasury.gov/resource-center/sanctions/Programs/Documents/terror.pdf.) You agree not to hire or have any dealings with any person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your Owners, principals, employees, or anyone associated with you being listed in the Annex to Executive Order 13224. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws. In connection with such compliance, you certify, represent, and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your Owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities in this Agreement pertain to your obligations under this Section 1.10.

1.11. No Business Opportunity. We will not provide customers to you. We will not provide financial assistance to you (other than as stated in Item 10 of our Franchise Disclosure Document). We have not represented to you that we will buy back from you any of the products, inventory, supplies or equipment that you purchase in connection with your Cleaning, Sealing and Staining Business.

1.12. Defined Terms. Capitalized terms are used in this Agreement with the meanings assigned in the Glossary of Terms attached as the **Appendix.**

2. GRANT OF FRANCHISE

2.1. Grant of Franchise. Subject to the terms and conditions of this Agreement, we grant you the right to operate one Cleaning, Sealing and Staining Business within the Protected Territory, identified in **Addendum 1**. You agree to equip and operate, under the terms of this Agreement and the Brand Standards Manual, a single Cleaning, Sealing and Staining Business operating under the System and specializing in offering specific Authorized Products and Authorized Services as specified by us in the Brand Standards Manual, and only under the Marks.

2.2. Restrictions on License. You do not have the right to grant franchises or sub-licenses of any kind to any other party, nor do you have the right to operate more than one Cleaning, Sealing and Staining Business within the Protected Territory, unless otherwise provided by separate agreement.

3. EQUIPPING YOUR CLEANING, SEALING AND STAINING BUSINESS

3.1. Business Office. You must maintain an office, which may be a home office, to serve as the business office for your Cleaning, Sealing and Staining Business (the "**Business Office**"), which is listed on **Addendum 1**. You must be able to receive overnight delivery packages at your Business Office. Your Business Office is not required to be located in your Protected Territory. You must maintain a separate telephone line, voicemail, and cable or Internet connection for the Business Office that comply with our standards and specifications. You agree not to use the telephone number of the Business Office for any other business purpose other than operating your Cleaning, Sealing and Staining Business and to notify us within 24 hours of any new telephone number you obtain for your Cleaning, Sealing and Staining Business. You agree to notify us at least fifteen (15) days before you relocate your Business Office by providing to us the new address for your Business Office.

3.2. Vehicles. You must have one or more vehicles (each a "**Vehicle**" and more than one "**Vehicles**") to sell and perform Authorized Services and Authorized Products within the Protected Territory. The Vehicle must be able to transport equipment required to provide the Authorized Services. We will provide you with guidelines and specifications for the Vehicles in or Brand Standards Manual, which may include requirements relating to make, model, year, color and body wrap or other advertising. Your Vehicles must conform to the requirements contained in our Brand Standards Manual and you agree that you are solely responsible for any cost relating to the Vehicles.

> 3.2.1. Maintaining Vehicles. You shall maintain the condition and appearance of all Vehicles in first class condition and repair and in a level of cosmetic appearance as we require and consistent with the requirements contained in our Brand Standards Manual. If at any time in our reasonable judgment, the state of repair, appearance (including logos, decals and/or signs) or cleanliness of your Vehicles fail to meet our standards, you shall immediately, upon receipt of notice from us specifying the action to be taken by you (within the time period we specify), correct such deficiency, modify, repair, refurbish, and/ or replace the Vehicles, as applicable, and make such modifications and additions to their appearance as may be required.

3.3. Required Equipment. Prior to the Commencement Date, you agree to purchase (at your sole cost and expense) from us, our Affiliate(s), or Suppliers the equipment, inventory, supplies, and materials necessary for the operation of your Cleaning, Sealing and Staining Business and in accordance with the Brand Standards Manual. We will provide you with specifications for the equipment, Vehicle(s), service tools, supplies, and inventory necessary to operate your Cleaning, Sealing and Staining Business.

3.4. Storage Facility. You must have a storage facility for your Cleaning, Sealing and Staining Business within which you are able to store your service tools, materials, and equipment (your "**Storage Facility**"). Your Storage Facility may be located at (but not within) your home if you have sufficient space, and it complies with applicable Legal Requirements. The Storage Facility must be located in your Protected Territory if it is not at your home. You must notify us in writing within seven (7) days of leasing or purchasing your Storage Facility and provide us the address of the Storage Facility. The Storage Facility may only be located outside of your Protected Territory, with our prior written approval, which may be withheld in our sole discretion. You agree to notify us at least fifteen (15) days before you relocate your Storage Facility and provide the new address for your Storage Facility.

3.5. Developing Your Cleaning, Sealing and Staining Business. You are solely responsible for developing your Cleaning, Sealing and Staining Business. This means that you must, at your own expense: (a) secure all financing to develop and operate your Cleaning, Sealing and Staining Business and acquire and maintain adequate capital reserves; (b) obtain all required equipment, including Vehicles, needed to operate your Cleaning, Sealing and Staining Business; (c) pay all applicable state, county, and municipality taxes, permit costs, and/or fees; (d) obtain all required permits and licenses in accordance with Legal Requirements; (e) purchase insurance for your Cleaning, Sealing and Staining Business, and provide us with a copy of all insurance certificates and endorsements for the policies you purchase; and (f) hire and train your employees or contractors as necessary to operate your Cleaning, Sealing and Staining Business.

3.6. Commencement Deadline. You agree that your Cleaning, Sealing and Staining Business will be developed and equipped in accordance with this Article 3, and that your Cleaning, Sealing and Staining Business will be open and operating, no later than ninety (90) days after the Effective Date (the "**Commencement Deadline**"), unless we otherwise agree in writing. If you fail to open your Cleaning, Sealing and Staining Business on or before the Commencement Date, we will have the right to either: a) deem your failure to constitute a material default of this Agreement, and we will have the right to terminate the Agreement, without refunding any fees that you have paid to us; or b) begin charging you $1,000 per month. If you begin operating your Cleaning, Sealing and Staining Business before we approve your opening, in addition to our other remedies, you must pay all fees charged under this Agreement from the date you begin operating your Cleaning, Sealing and Staining Business. **You must obtain our written approval before you begin to operate your Cleaning, Sealing and Staining Business, and nothing in this Section 3.6 will be construed as permitting you to begin operation without our written approval.**

4. PROTECTED TERRITORY

4.1. Protected Territory. Subject to the terms and conditions of this Agreement (including Section 4.2) and provided you are not in material default of this Agreement and/or any other agreement between us (or any of our Affiliates), which default remains uncured after the expiration of an applicable cure period (if any), we will not, during the Term, operate, nor permit any third party to operate, a Cleaning, Sealing and Staining Business under the Marks within the Protected Territory. You will have the exclusive right to service customers located within your Protected Territory.

4.2. Operation Outside of the Protected Territory. You may be permitted to operate the Cleaning, Sealing and Staining Business in areas contiguous to the Protected Territory, which have not been assigned to any another franchisee (each an "**Unassigned Territory**"), with our prior written consent. You acknowledge that other franchisees in your geographic area will have similar opportunities to provide services within an Unassigned Territory. These rights may continue until a franchisee purchases from us the exclusive right to operate in the Unassigned Territory. You will not provide Authorized Products or Authorized Services to customers outside of your Protected Territory other than as allowed by this Section 4.2. You will not receive any right of first refusal or any other type of rights to an Unassigned Territory because you operate or operated in that Unassigned Territory. We may sell any Unassigned Territory at any

time, without giving you advance notice. After we give notice to cease operating in the Unassigned Territory, you may (for a maximum of 15 days) provide Authorized Products and Authorized Services for which appointments or orders were received before we gave you notice to cease operating in the Unassigned Territory. You will, without compensation, orderly transition your customers in the applicable Unassigned Territory to our designee, if asked to do so.

4.3. No Other Protection. You acknowledge that, other than the limited exclusivity we grant you in Section 4.1, we and our Affiliates retain all other rights within your Protected Territory, including but not limited to the rights to:

4.3.1. Use, and to franchise or license other persons to use, the Marks and System for the operation of Cleaning, Sealing and Staining Businesses or any other businesses that are similar or dissimilar to your Cleaning, Sealing and Staining Business to customers located outside of the Protected Territory.

4.3.2. Use, license and franchise the use of trademarks other than the Marks, whether in alternative channels of distribution or otherwise, at any location including a location or locations inside of the Protected Territory, in association with operations that are similar to, the same as, or different from Cleaning, Sealing and Staining Businesses.

4.3.3. Offer or sell Authorized Products and Services, or grant others the right to offer and sell Authorized Products and Services, whether using the Marks, or other trademarks or service marks, through alternative channels of distribution, including, without limitation, wholesalers, retail outlets, or by Internet commerce (e-commerce), mail order or otherwise, regardless of whether it is inside or outside of the Protected Territory.

4.3.4. Maintain any websites utilizing a domain name incorporating the Marks or derivatives of them. We retain the sole right to advertise and market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, metatags, linking, advertising, and co-branding and other arrangements.

4.3.5. Advertise and promote, and to permit other franchisees to advertise and promote, other Cleaning, Sealing and Staining Businesses operated under the System and the Marks within your Protected Territory.

4.3.6. Acquire, merge, combine with, or be acquired by businesses that are the same as or similar to your Cleaning, Sealing and Staining Business and operate such businesses regardless of where such businesses are located, including inside the Protected Territory, and to be acquired by any third party which operates businesses that are the same as, or similar to, your Cleaning, Sealing and Staining Business, regardless of where such businesses are located, including inside the Protected Territory. We will not, however, re-brand any such businesses located inside the Protected Territory by allowing them to use the Marks.

4.3.7. Solicit, sell to and service National Accounts, wherever located, including in the Protected Territory, provided that we may, in our discretion, establish and modify or withdraw, from time to time, the terms and conditions upon which you may solicit or service National Accounts subject to Section 9.12. Only we will have the right to enter into contracts with National Accounts (which may include facilities within the Protected Territory).

4.4. Limitations on Your Operation Outside of the Protected Territory. You may advertise in, or solicit orders from, areas outside of the Protected Territory, but you will not provide Authorized Products or

Authorized Services to customers located outside of your Protected Territory, except as allowed by Section 4.2. You will not use telemarketing or internet-based marketing of any services or products except as permitted in writing by us, in the Brand Standards Manual or otherwise.

5. TERM; RIGHT TO ACQUIRE SUCCESSOR FRANCHISE

5.1. Term. The term of this Agreement (the "**Term**") commences on the Effective Date, and, unless sooner terminated in accordance with Article 17, will expire on the fifth (5th) anniversary of the date you open and begin operating you Cleaning, Sealing and Staining Business (the "**Commencement Date**").

5.2. Right to Acquire Successor Franchise. After the expiration of the initial Term, you may, at your option, acquire a successor franchise for four (4) additional terms of five (5) years each, unless you are signing this Agreement under a successor franchise agreement for an existing Cleaning, Sealing and Staining Business, in which case your successor term will be governed by the term of your original franchise agreement. To qualify for a successor franchise, we have the right to insist on your fulfillment of any or all of the following conditions:

5.2.1. You must give us written notice of your election to acquire a successor franchise not less than ninety (90) days nor more than one hundred and eighty (180) days prior to the end of the Term.

5.2.2. You must execute our then-current standard form of franchise agreement (the "**Successor Franchise Agreement**"), which may, in our sole discretion, include substantially different terms than those contained in this Agreement, including but not limited to, higher, additional, or different fees (including a higher Royalty Fee and Brand Fund Fee) and a smaller Protected Territory, but you will not have to pay a new initial franchise fee.

5.2.3. You and each of your Owners must have executed a general release, in our then-current form (the current form is attached to the Franchise Disclosure Document as **Exhibit F**), of any and all claims against us and our Affiliates and their respective officers, directors, shareholders, managers, members, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release you give us will not be inconsistent with any state law regulating franchising.

5.2.4. You are not then in default of any provision of this Agreement, or any amendment of or successor to this Agreement, or any other agreement between you and us or our Affiliates, and you have not committed and received notice of two (2) or more breaches of this Agreement during any twelve-(12) month period during the Term, even if such breaches were timely remedied.

5.2.5. You must make or provide for, in a manner satisfactory to us, such changes as may be necessary to bring your Cleaning, Sealing and Staining Business up to our current standards, including, without limitation, purchasing new equipment and software.

5.2.6. You must provide proof that you have all current licenses, insurance, and permits in compliance with Legal Requirements for you to continue operating your Cleaning, Sealing and Staining Business.

5.2.7. You must be compliant with our then-current qualification and training requirements.

5.2.8. You must pay us a successor franchise fee of twenty thousand dollars ($20,000).

5.3. Interim Period. If you do not sign the Successor Franchise Agreement prior to the expiration of this Agreement and you continue to accept the benefits of this Agreement after it expires, then at our option, this Agreement may be treated either as: (i) expired as of the date of expiration with you then operating without a franchise to do so; or (ii) continued on a month-to-month basis ("**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after the date of the notice to terminate the Interim Period. In the latter case, all of your obligations will remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement will be deemed to take effect upon termination of the Interim Period. In this Agreement, all references to the Term will include any Interim Period.

6. PAYMENTS

6.1. Initial Franchise Fee. In consideration of the parties' promises and covenants to one another, you must pay us an initial franchise fee of twenty thousand dollars ($20,000) upon execution of this Agreement ("**Initial Franchise Fee**"). If this is your first Cleaning, Sealing and Staining Business and you or we terminate your Franchise Agreement within 30 (thirty) days of signing and before you have commenced taking the Initial Training Program, we will retain five thousand dollars ($5,000) of your initial franchise fee. We will not refund any other amounts you have paid us prior to termination.

6.2. Royalty Fee. You must pay us, on or before the Payment Date, a continuing royalty fee ("**Royalty Fee**") equal to eight percent (8%) of your Gross Sales that you earned during the prior Reporting Period just ended, or a minimum of one thousand dollars ($1,000) per month, whichever is greater. If this is your first Cleaning, Sealing and Staining Business, you will not be required to pay the minimum monthly Royalty Fee of $1,000 until six (6) months after the Effective Date of this Agreement.

6.3. Payment to Brand Fund. You must pay us, on or before the Payment Date, a continuing Brand Fund Fee ("**Brand Fund Fee**") equal to two percent 2% of your Gross Sales that you earned during the prior Reporting Period just ended. We will deposit the Brand Fund Fee into an advertising and marketing fund that we maintain ("**Brand Fund**").

6.4. Call Center Fee. You must pay us, on or before the Payment Date, a corporate call center fee ("**Call Center Fee**") of $1,000 per month. The Call Center Fee is subject to change, in our sole discretion, upon the expiration of one (1) year from the Effective Date. We will provide thirty (30) days written notice of any increase.

6.5. Technology Expenses. You must pay our Approved Suppliers their current fee, which may be assessed on a monthly basis, for providing to you the Computer System, customer relationship management software, credit card processing, and other technology-based modules that we require.

6.6. Warranty Fund Fee. You must pay us, on or before the Payment Date, a warranty fund fee ("**Warranty Fund Fee**") of 1% of your Gross Sales that you earned during the prior Reporting Period just ended. We will deposit the Warranty Fund Fee into a warranty fund that we maintain ("**Warranty Fund**").

6.7. Time and Manner of Payments. With the exception of the Initial Franchise Fee, we may require you to make all payments owed under this Agreement by means of electronic funds transfer ("**EFT**"), or such other manner that we designate from time-to-time. You must ensure that each Royalty Fee, Brand Fund Fee and Warranty Fund Fee payment is, without exception, calculated based upon your Gross Sales during the just-ended Reporting Period and you must provide an accounting of the payment on a form approved by us, as we may require.

6.7.1. On or before the Payment Date, you must submit to us a complete and accurate accounting of your Gross Sales for the previous Reporting Period in the format we request, which may be electronic, through the Computer System or otherwise. We must receive from you all fees due for each Reporting Period on or before the applicable Payment Date.

6.7.2. You agree to comply with procedures specified by us and/or perform such acts and deliver and execute such documents, including authorization for direct debits from your business bank operating account, as may be necessary to assist in or accomplish payment by such method, and to execute our "EFT Authorization Agreement," which is attached to this Agreement as **Addendum 3**. Under this procedure, you authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest due on those amounts. You must make funds available to us for withdrawal by electronic transfer no later than the Payment Date.

6.7.3. If funds in your account are insufficient to cover the amounts payable at the time we make our funds transfer request, the amount of the shortfall is overdue and is subject to the terms set forth in this Agreement for overdue payments, in addition to any other remedies we have.

6.7.4. If you have not timely reported your Gross Sales to us for any Reporting Period, then we will have the right to debit your account, at our option, in an amount equal to either: (a) one hundred and twenty percent (120%) of the fees transferred from your account for the last Reporting Period for which you provided a report of your Gross Sales to us; or (b) the amount due based on information retrieved from the Computer System.

6.8. Application of Funds; Withholding of Payments. If you become delinquent in the payment of any monetary obligation to us, we will have the absolute right to apply any payments received from you to any obligation owed, whether under this Agreement, or under any other agreement, between you and us, notwithstanding any other designation by you as to application. You will not withhold payment of any amount due under the Agreement for any reason at any time, including but not limited to: (a) your claim that we have not performed any one of our obligations under this Agreement; or (b) any other claim against us or dispute with us of any kind or nature.

6.9. Late Reports and Payments. If we do not timely receive any fee or any other amount due under this Agreement on or before the applicable due date, or if we do not receive a report that you are required to give us on or before the date that it is due, you will pay us a late fee equal to $100, plus the lesser of the: (a) daily equivalent of 1.5% per month simple interest of any overdue amount; or (b) highest rate then permitted by applicable law, for each day any amount is past due, accruing until the past-due amount is paid in full. This provision does not permit or excuse late payments.

6.10. Reimbursement of our Costs of Collection. If we are required to engage a collection agency, use legal counsel, or hire any third party in connection with any failure by you to pay us amounts when they are due, or your failure to submit when due any reports, information, or supporting records, or in connection with any failure by you to otherwise comply with this Agreement, you must reimburse us for all costs and expenses of enforcement and collection, including our reasonable: (a) legal fees; (b) investigation fees; (c) travel expenses of our employees or agents; and (d) hourly charges of our employees or agents. These amounts must be paid to us by you within five (5) days after you cure the default, or upon demand by us if your default is not cured.

6.11. Taxes; Payments to Others. All payment obligations pertaining to your Cleaning, Sealing and Staining Business, including all trade payables and other indebtedness of every kind and all federal, provincial, state and municipal taxes and charges, are solely your obligations and not ours. We will not be

liable for any sales, service, use, excise, income, gross receipts, property, payroll or other taxes levied against you or your assets, or against us, in connection with your Cleaning, Sealing and Staining Business, or any payments you make to us under this Agreement or any other agreement. You must reimburse us for any gross receipts, sales, use or other tax assessed by any taxing authority in the state where your Cleaning, Sealing and Staining Business is located, on any fees or other amounts payable by you to us under this Agreement. We will not be liable or responsible for your compliance (or failure to comply) with any and all Legal Requirements.

7. TRADEMARK STANDARD AND USE REQUIREMENTS

7.1. Ownership. You agree that the Marks, Intellectual Property, and System are our (or our Affiliate(s)) exclusive property, and that you will never assert any claim to any goodwill, reputation or ownership relating to or associated with the Marks or Intellectual Property. You also recognize that all goodwill relating to your use of the Marks belongs solely to us, and not to you, and that after this Agreement expires, is terminated, or Transferred, you will have no right to any such goodwill. You will never engage in any conduct directly or indirectly, or assist another party to engage in any conduct, that would infringe upon, harm or cause damage to the Marks. You will not contest or assist any other party to contest our rights in any of the Marks or the goodwill associated with the Marks. You will not use, or assist others to use, the Marks in a derogatory, negative or other inappropriate manner in any medium. You agree to provide us with all assignments, affidavits, documents, information and assistance we reasonably request to fully vest in us all rights, title and interest in and to the Marks, including all items we reasonably request to assist us in registering, maintaining and enforcing our rights in the Marks. You acknowledge that we will suffer irreparable damage and will have no adequate remedy at law as a result of your unauthorized or infringing use of the Marks, and you agree that we will have the right to seek injunctive relief in a court of competent jurisdiction in the event that you use the Marks in an unauthorized or infringing manner. You agree to comply with all of our requirements when you use the Marks, and that you will never engage in any activity that we determine to be harmful to the reputation of us, the Marks, the System, or Cleaning, Sealing and Staining Businesses generally.

7.2. Changes. We, from time to time in our discretion, may modify all or any part of the Marks. We may require you to use one or more additional or substitute Marks. You will have no rights or claim of damages, offset, or right to terminate this Agreement as a result of any such modification and we will not have any liability or obligation to you with respect to your required modification or discontinuance of any Marks. Upon receipt of notice of such modifications, you, as soon as reasonably possible, will cease using the former Marks and commence using the modified Marks at your sole cost and expense.

7.3. Permitted Use. Your right to use the Marks; any proprietary software; other materials in which we claim a copyright, trademark, or other right to exclusive use; the Trade Dress; trade secrets; Confidential Information; and other Intellectual Property as granted in this Agreement, is limited to your use of those materials, items, or Intellectual Property in connection with your operation of your Cleaning, Sealing and Staining Business, and otherwise as described in this Agreement and as authorized in the Brand Standards Manual, or as we may prescribe in writing from time to time.

7.3.1. You may use only the Marks to identify and distinguish the services offered by you. You cannot use Intellectual Property for any service or product that is not specifically authorized in the Agreement or Brand Standards Manual without our express written consent. You must comply with all of our trademark, trade name and service mark notice marking requirements, including affixing "SM," "TM," or "®," adjacent to all Marks in any and all uses of the Marks.

7.3.2. You will not use anything that resembles or is deceptively or confusingly similar to the Marks, the System, or the Intellectual Property, in any manner or for any purpose, or do anything

that would dilute, directly or indirectly, the value of the goodwill associated with the Marks, nor counsel, procure or assist anyone else to do the same. You will use the Marks only for the uses and in the manner we permit. You acknowledge that you are required, to the extent possible, to prevent persons or parties associated with or employed by you from using the Marks and/or Intellectual Property in an unauthorized manner.

7.4. No Representations or Warranties. WE MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS.

7.5. Internet, Social Media, and Domain Name. For so long as you are not in default of this Agreement, we will list your Cleaning, Sealing and Staining Business location on our Internet website. You, your employees, independent contractors, sales associates and representatives may not use, license, or register any domain name or URL (or other means of identifying you or your Cleaning, Sealing and Staining Business on the Internet) that uses a mark, image, or words confusingly similar to the Marks or any abbreviation, acronym, or phonetic or visual variation of the Marks without our prior written consent. At our request, you must promptly assign or redirect (or cause to be assigned or redirected) to us any domain name, URL, or other identification that violates this Agreement or the policies stated in the Brand Standards Manual at your expense and without compensation from us. The content you submit to us or use for any Internet marketing must be true, correct and accurate. At our request, you will promptly modify any of your Internet marketing material containing the Marks to conform to the standards stated in the Brand Standards Manual. You agree and acknowledge that your on-line promotional strategies must comply with our on-line policy, and you understand that our on-line policy may completely prohibit you from using the Internet to promote your Cleaning, Sealing and Staining Business except through our website(s). You further agree and acknowledge that we may review, monitor, and require changes to all on-line content on your websites, social media sites, blogs, electronic communication and other on-line sites on which our Marks or Intellectual Property are used.

7.6. Infringement. You must notify us of: (a) any litigation relating to the Marks; or (b) suspected infringement upon the Marks or the Intellectual Property, but you may not take any action against suspected infringers without our express written permission. You must notify us within three (3) days after receiving notice of any claim based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any imitation of them. If you notify us in a timely manner of a claim against you relating to the Marks, we will have the exclusive right (but not the obligation) to contest, defend against, or bring an action against, any third party regarding the third party's use of any of the Marks. In the event we take legal action to protect our Marks or authorize you to do so, we will be responsible for all costs (including reasonable attorneys' fees) related to such legal action. You must execute any and all documents, do such acts and things that may be necessary, and cooperate with us and with any action undertaken by us concerning litigation relating to the Marks.

8. ADVERTISING

8.1. Your Advertising. All of your advertising, promotion and marketing must be completely clear and factual and not misleading, and must conform to the highest standards of ethical marketing and the policies which we prescribe from time to time, in the Brand Standards Manual or otherwise. You may not use any advertising or promotional materials that we have disapproved at any time or for any purpose, and you may not advertise your Cleaning, Sealing and Staining Business in connection with any other business without our written consent.

8.1.1. Upon our request, you will provide to us for our review samples of any and all advertising and promotional material bearing the Marks. With the exception of advertising materials created

and provided to you by us, at least fifteen (15) days before using them, you must submit to us all advertising materials you intend to use, which approval will be in our sole discretion. You will not use such materials until they have been approved by us, and you must promptly discontinue use of any advertising material upon our request. Any materials submitted by you to us which have not been disapproved by us in writing within fifteen (15) days of our receipt of them are deemed disapproved.

8.1.2. At your request, we will provide to you advertising and promotional materials that we have pre-approved for you to use in marketing your Cleaning, Sealing and Staining Business. You may purchase those materials from us at our cost plus 20%.

8.2. Grand Opening Advertising. You agree to conduct grand opening advertising for your Cleaning, Sealing and Staining Business (**"Grand Opening Advertising"**) and, during the period beginning several days before the Commencement Date and ending six (6) months after the Commencement Date, you must spend a minimum of $7,000 on such Grand Opening Advertising, as follows: $1,000 prior to your Commencement Date, and $1,000 per month for the six months following your Commencement Date. You must use any particular media and advertising agencies we designate in connection with such Grand Opening Advertising efforts. Your Grand Opening Advertising spend may include discounter or free services, radio or television promotions, public figure appearances, or other advertising and promotional efforts. We agree to furnish you with such advice and guidance as we deem appropriate with respect to your Grand Opening Advertising efforts. All of your Grand Opening Advertising must utilize marketing and public relations programs and media and advertising materials we have approved.

8.3. Local Advertising. During each and every month of the Term, you must spend a minimum of two percent (2%) of your Gross Sales (**"Local Advertising Requirement"**) for marketing, public relations efforts, advertising, and promotion within your Protected Territory and the area surrounding your Protected Territory. If you own multiple Cleaning, Sealing and Staining Businesses in a contiguous area, we may, but are not obligated to, reduce your Local Advertising Requirement.

8.3.1. You will make the expenditures directly, subject to our approval (as stated in Section 8.1). The medium in which you choose to advertise is within your reasonable business judgment. Upon our request, you must furnish to us, in a manner approved by us, an accounting of your expenditures on local marketing and promotion for the preceding calendar month.

8.3.2. We will measure your compliance with this requirement on a rolling three-month basis, meaning that as long as your average monthly expenditure on local advertising over the three-month period equals or exceeds the minimum monthly amount that we specify, you will be deemed in compliance even if your expenditure in any given month is less than the minimum monthly amount that we specify. If the accounting does not demonstrate that you met the Local Advertising Requirement during the previous three-month period, you must pay us the shortfall between your actual expenditure and the Local Advertising Requirement. If you fail to submit the accounting of your expenditures, you must pay us the Local Advertising Fee. We will deposit those funds into the Brand Fund, and spend them as part of the Brand Fund.

8.4. Brand Fund. We have a Brand Fund to promote public awareness of the Marks and to improve our System. During each and every month of the Term, you must pay us the Brand Fund Fee. We may use the fund to pay for any of the following in our discretion: (i) developing maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs; (ii) public awareness of any of the Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development and search engine optimization; (vii) development and implementation of quality control programs; (viii) conducting

market research; (ix) changes and improvements to the System; (x) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts; (xi) collecting and accounting for contributions to the fund; (xii) preparing and distributing financial accountings of the fund; (xiii) any other programs we deem necessary or appropriate to promote or improve the System; and (xiv) our and our Affiliates' expenses associated with direct or indirect labor, administrative, overhead or other expenses incurred in relation to any of these activities. We will not use the Brand Fund for creating or placing any advertisement that is principally a solicitation for new franchisees, but we may include information concerning franchise opportunities in all advertising prepared using the Brand Fund.

8.5. Your Acknowledgement. You agree and acknowledge that the Brand Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System generally and that we have no obligation, in administering the Brand Fund, to make expenditures for you that are equivalent or proportionate to your Brand Fund Fee contributions, or to ensure that your Cleaning, Sealing and Staining Business or any other particular Cleaning, Sealing and Staining Business benefits directly or pro rata from the advertising or promotion conducted or developed by the Brand Fund. You further acknowledge that we own all rights, and retain all copyrights, in all design and content developed using the Brand Fund, and that we will have sole control over the creative concepts, content, form, and media placement of all advertising and promotional materials developed with the Brand Fund, as well as the specific ways the Brand Fund is allocated to production, placement, and other costs. We have no fiduciary duty to you or to any other person with respect to the collection or expenditure of the Brand Fund. Our sole duty regarding the Brand Fund is to spend the money only in the ways described in this Article 8. Each Cleaning, Sealing and Staining Business owned by us, or our Affiliate(s), will contribute to the Brand Fund on the same basis and at the same percentage as you do.

8.6. Fund Accounting. All contributions to the Brand Fund will be deposited into and disbursed from a bank account which may be commingled with our other accounts, except that we will account for the Brand Fund separately from the other funds in such account(s). Upon your written request, we will furnish to you, after ninety (90) days of the end of the calendar year, a report for the preceding year showing the expenditures made from the Brand Fund during such calendar year and amount remaining for use (if any) during the following year. This report will not be audited.

8.7. Unused Funds; Termination. We anticipate that all contributions to, and earnings of, the Brand Fund will be spent for the purposes stated above during the fiscal year in which the contributions and earnings are received. However, if unexpended amounts remain in the Brand Fund at the end of the fiscal year, then all expenditures in the following fiscal year will be made first out of the unspent contributions, and then out of new contributions. Although the Brand Fund is intended to be of perpetual duration, we may in our sole discretion terminate the Brand Fund or suspend it. The Brand Fund will not be terminated, however, until all monies in the Brand Fund have been spent.

8.8. Cooperative Advertising. We have the right, in our sole discretion, to designate geographic areas for purposes of establishing local or regional advertising cooperatives ("**Cooperatives**") comprised of the Cleaning, Sealing and Staining Businesses located within such geographic area. If your Cleaning, Sealing and Staining Business is within the territory of an existing Cooperative at the time you open for business, you must immediately begin participating in the Cooperative. If a Cooperative applicable to your Cleaning, Sealing and Staining Business is established during the Term, you must begin participating no later than thirty (30) days after the date the Cooperative begins operating. In no event will your Cleaning, Sealing and Staining Business be required to contribute to more than one Cooperative; however, if you own multiple Cleaning, Sealing and Staining Business, each Cleaning, Sealing and Staining Business owned by you will be required to contribute to the Cooperative applicable to that Cleaning, Sealing and Staining Business. We (or our Affiliates, as the case may be) will become a member in any Cooperative established for an area that includes a Cleaning, Sealing and Staining Business owned by us or our Affiliates. The following provisions will apply to each Cooperative:

8.8.1. Purpose; Governance. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, promotional materials for use by members in local advertising. Each Cooperative will be organized and governed in a form and manner, and will commence operations on a date, that we approve in advance in writing. Each Cleaning, Sealing and Staining Business within a Cooperative will have one (1) vote for any matters on which the Cooperative's members are permitted to vote. We reserve the right to change, in our sole discretion, the form and manner of the organization and governance of any Cooperative and you agree to implement any such change immediately upon notice from us. No changes in the bylaws or other governing documents of a Cooperative will be made without our prior written consent.

8.8.2. Approval. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior approval.

8.8.3. Contribution Amount. You and each other member of the Cooperative must contribute to the Cooperative on a monthly basis, on such specific days as established by the Cooperative or by us, the amount determined by the membership. We can set the amount of your required contribution to the Cooperative in our discretion, but in no event will we require you to spend more than a total of two percent (2%) of your Gross Sales towards your Cooperative contribution, unless you and the other members of the Cooperative vote to increase the contribution level beyond the amount we require. Your contributions towards the Cooperative will be credited towards your Local Advertising Requirement. Each required contribution will be submitted together with such statements or reports as we may require, or by the Cooperative with our prior written approval.

8.8.4. Audit. We and our designated agents will have the right to examine, copy, and audit, at our expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Cooperative.

9. OPERATING YOUR CLEANING, SEALING AND STAINING BUSINESS

9.1. General Manager. Your Cleaning, Sealing and Staining Business must at all times be operated under direct supervision by a manager who: (a) is approved by us; (b) has successfully completed the Initial Training Program and all other training programs required by us from time to time; and (c) devotes his or her full time (a minimum of 40 hours per week) and best efforts to operating your Cleaning, Sealing and Staining Business (your "**General Manager**"). Your General Manager can be you. We have the right to deal with the General Manager on matters pertaining to day-to-day operations of, and reporting requirements for, your Cleaning, Sealing and Staining Business. Your initial General Manager is identified on **Addendum 1**. In the event that the General Manager elects to end his/her relationship with you, you must recruit a new General Manager within 30 days and submit his/her qualifications to us for review and approval.

9.2. Sale of Authorized Products and Services Only. You acknowledge that it is critically important to the System that all products and services sold by your Cleaning, Sealing and Staining Business meet our quality standards. You must advertise and sell only Authorized Products and Services. You acknowledge that you may not be permitted to sell all Authorized Products and Services at all times, and that you will discontinue selling any products or services that we have disapproved, even if they were previously included in our Authorized Products and Services. Except as specifically authorized by us, you may not sell any Authorized Products or Services outside of your Cleaning, Sealing and Staining Business or to any customer for the purpose of resale by the customer. You agree only to sell to customers Authorized Products that we designate for sale to customers. You agree to comply with all mandatory specifications, standards

and operating procedures, as modified from time to time (whether contained in the Brand Standards Manual or any other communication) relating to the appearance, function, cleanliness or operation of a Perma Treat Cleaning, Sealing and Staining Business, including:

9.2.1. Types, models and brands of required products, materials, items, equipment, signs, materials, and supplies. You acknowledge and agree that from time to time, we may modify the list of approved types, brands, models or suppliers, and you may not, after receipt of notice of such modification, reorder any type, brand or model from any supplier which is no longer approved by us. If we remove a product from the approved list, you may use the remainder of that product then in your possession, unless otherwise notified by us. You must cease providing any service within thirty (30) days after receipt of notice that the service is no longer approved.

9.2.2. Designated or Approved Suppliers (which may be limited to or include us or our Affiliates) of equipment, signs, products, materials, supplies, and services.

9.2.3. Terms and conditions of the sale and delivery of, and terms and methods of payment for products, materials, supplies and services including direct labor, that you obtain from us, our Affiliates or others.

9.2.4. Required inventory levels of Authorized Products. We have the right to require you to purchase any or all of the Authorized Products sold at or from your Cleaning, Sealing and Staining Business from us or our Affiliates, and you will maintain in sufficient supply all products, materials, supplies, equipment, and items we designate and require you to have on-hand in your Cleaning, Sealing and Staining Business.

You agree that you will not use products purchased from Approved Suppliers for any purpose other than operating your Cleaning, Sealing and Staining Business. ALTHOUGH APPROVED OR DESIGNATED, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO INVENTORY, SERVICES, PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIERS, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM WILL NOT CREATE ANY LIABILITY TO OR BY US.

9.3. Operating Your Cleaning, Sealing and Staining Business. In operating your Cleaning, Sealing and Staining Business, you agree to use only the equipment (including the Computer System), Vehicle(s) and signage that we have approved for Cleaning, Sealing and Staining Businesses as meeting our specifications and standards for quality, design, appearance, function and performance. You agree to purchase or lease approved brands, types or models of equipment from suppliers we have designated or approved (which may include us and/or our Affiliates). You will pay the then-current price in effect for all such purchases you make from us and/or our Affiliates. You will establish independent commercial relationships with our Approved Suppliers for specific items.

9.4. Authorized Services and Products. You must offer for sale from your Cleaning, Sealing and Staining Business only those Authorized Services and Products we specify, as designated in the Brand Standards Manual, or otherwise in writing, from time to time. You must offer all Authorized Services and Products at all times. Should you want to offer only certain Authorized Services and Products, you must submit to us a written request detailing those Authorized Services and Products you do not want to offer. Within 30 days of receiving your request, we will notify you in writing of our approval or disapproval or

your request, which is within our sole discretion. We have the right to make modifications to the Authorized Services and Products from time to time, and you agree to comply with any modifications we make. You must cease selling any previously approved service or product within thirty (30) days after receipt of notice that the product or service is no longer approved, except as otherwise provided herein. You must use in the operation of your Cleaning, Sealing and Staining Business only the processes and supplies as we specify in the Brand Standards Manual or otherwise in writing, and you must purchase them only from Approved Suppliers. You acknowledge and agree that we may change these periodically and that you are obligated to conform to these requirements. We may authorize test marketing of proposed Authorized Services or Products at any Cleaning, Sealing and Staining Business as we deem appropriate.

9.5. Call Center. In the operation of your Cleaning, Sealing and Staining Business, you are required to pay for and use the call center we provide to answer incoming sales calls, schedule appointments, and issue your warranty documents to your customers. We may require you to utilize a phone provider that features a call forwarding functionality or designate other phone provider requirements. You acknowledge and agree that we shall reasonably determine the extent of the services provided by the call center and have sole discretion in determining the manner in which we provide these services. We may change the services offered, discontinue providing the Call Center or require you to use an alternative supplier to provide these services at any time.

9.6. Alternative Suppliers. If you want to make purchases from a supplier other than an Approved Supplier, you must first submit to us a written request to approve the proposed supplier, together with any documentation regarding that supplier that we reasonably request. Within 30 days after receiving a completed request, and completion of such evaluation and testing (if we require), we will notify you in writing of our approval or disapproval of the proposed supplier. If we do not approve the proposed supplier, you must pay our reasonable costs incurred in evaluating your request. We may revoke our approval at any time if we determine, in our sole discretion, that the supplier no longer meets our standards. You must stop purchasing from a disapproved supplier upon notification from us that it has been disapproved.

9.7. Acknowledgement of Markup or Rebates. You acknowledge and agree that we and our Affiliates have the right to a reasonable markup on all items that you are required to purchase from us and our Affiliates. Further, you acknowledge that we may receive from Approved Suppliers periodic volume rebates or other revenue or consideration as a result of your purchases. You further acknowledge and agree that we are entitled to keep such rebates and revenue for our own use, regardless of whether we choose to do so.

9.8. Maintenance and Refurbishment. You must, at your sole expense, do all things necessary to comply with the System, including keeping your Cleaning, Sealing and Staining Business, its Vehicle(s), and equipment and assets: (i) in good order and repair, and in compliance with the System requirements as set forth in the Brand Standards Manual or as we otherwise require; and (ii) in a neat, clean, and attractive condition; replacing equipment, and other assets only with those that we have approved as, in our discretion, they become worn out or otherwise unsuitable for use. You must make, at your expense, all additions, repairs, replacements improvements and alterations to your Cleaning, Sealing and Staining Business, its Vehicle(s) and your equipment as we determine necessary so that the publicly-viewable aspects of the Cleaning, Sealing and Staining Business (including Vehicle(s) and equipment) conform to the System's image, as may be prescribed by us from time to time. You must undertake and complete such additions, repairs, replacements, improvements and alterations within the time and under the terms and conditions, which we may reasonably specify. If, however, any condition presents a threat to customers or public safety, you must address the condition immediately. You recognize and agree that there are no limitations on this obligation, and acknowledge and agree that the requirements of this Section 9.8 are both reasonable and necessary to ensure continued public acceptance and patronage of Cleaning, Sealing and Staining Businesses and to avoid deterioration or obsolescence in connection with the operation of your Cleaning, Sealing and Staining Business.

9.9. Your Employees and Independent Contractors. You agree to maintain a competent, conscientious, trained staff, sufficiently literate and fluent in the English language and in a sufficient number; ensure that your employees and independent contractors provide competent, prompt, courteous, and knowledgeable service, and that they meet our minimum standards (as specified in the Brand Standards Manual) to preserve good customer relations. You must require your employees to wear uniforms while working at or for your Cleaning, Sealing and Staining Business of such design and color as we may prescribe in the Brand Standards Manual. You further agree that in any office, break room, or other non-public area accessed by your employees or contractors, you will post a sign or other document containing language we require explaining the differences between you, their employer or contractor, and us, your franchisor. You must have all of your employees sign our then-current form of Franchise Relationship Acknowledgement. Our current form is attached as **Addendum 4**.

9.10. Brand Standards Manual. You must operate your Cleaning, Sealing and Staining Business in strict compliance with the standard procedures, policies, rules and regulations established by us from time to time. We anticipate creating a central resource for all of these procedures, policies, rules and regulations, which will be our Brand Standards Manual, but we do not yet have a Brand Standards Manual. You acknowledge that you will be bound by, and required to comply with, all of our procedures, policies, rules and regulations whether or not we have a Brand Standards Manual. You must supervise your General Manager, managers, employees, independent contractors and Affiliates to ensure their compliance with the Brand Standards Manual. We have the right to prescribe additions to, deletions from or revisions of the Brand Standards Manual (the "**Supplements**"), all of which will be considered part of the Brand Standards Manual. All references to the Brand Standards Manual in this Agreement will include the Supplements. We will notify you of our issuing a Brand Standards Manual, and provide you with a copy of (or provide you with electronic access to) the Brand Standards Manual, if and when we issue it. Supplements will become binding on you as if originally set forth in the Brand Standards Manual, upon being delivered to you (unless we specify a longer period). We will provide you with up to thirty (30) days to comply with any material change made by us to our standards. The Brand Standards Manual and any Supplements are material in that they will affect the operation of your Cleaning, Sealing and Staining Business, but they will not conflict with or materially alter your rights and obligations under this Agreement. While the Brand Standards Manual is designed to protect our reputation and the goodwill of the Marks, it is not designed to control the day-to-day operations of your Cleaning, Sealing and Staining Business.

9.10.1. We are permitted to revise the System, Marks, the various training programs offered to franchisees and their employees, and the Brand Standards Manual at any time, by addition, deletion or other modification to the provisions of the Brand Standards Manual, and such modification will be made in our sole judgment. Such modifications may obligate you to invest additional capital in your Cleaning, Sealing and Staining Business ("**Capital Modifications**") and/or incur higher operating costs.

9.10.2. If and when we issue a Brand Standards Manual, we will loan to you one (1) copy of the Brand Standards Manual (which may be electronic). The Brand Standards Manual and all amendments to the Brand Standards Manual (and copies of it) are copyrighted and remain our property. They are loaned to you for the Term (and any successor period), and must be returned to us immediately upon the termination or expiration of this Agreement. The contents of the Brand Standards Manual are our Confidential Information. You must not make, or cause or allow to be made, any copies, reproductions or excerpts of all or any portion of the Brand Standards Manual without our express prior written consent. You must keep any physical copies of the Brand Standards Manual up-to-date. You must also keep the Brand Standards Manual in a safe place and ensure that it, and the information, are secured and protected from unauthorized access.

9.11. Consumer Relations and Protection of Goodwill. You must give prompt, courteous and efficient service to the public and operate your Cleaning, Sealing and Staining Business in compliance with the Brand Standards Manual to preserve and enhance the value and goodwill of the Marks and the System. You will uphold, and take reasonable steps to ensure that your General Manager and employees uphold high standards of honesty, integrity, and fair dealing in dealing with the general public, customers, other franchisees and us. You or your General Manager must ensure that your Cleaning, Sealing and Staining Business is operated at maximum capacity and efficiency. You must promptly respond to all complaints received from your clients or other individuals in an attempt to resolve the dispute in a reasonable business manner. If we are contacted by a customer of your Cleaning, Sealing and Staining Business who lodges a complaint, we reserve the right (but are not required) to address the customer's complaints in order to preserve goodwill and prevent damage to the Marks. Nothing in this Section 9.11 or in any other provision of this Agreement is to be construed to impose liability upon us to any third party for any of your actions or obligations.

9.12. National Accounts. You acknowledge that to competitively attract and effectively service National Accounts, we may establish Policies governing the manner in which National Accounts are solicited and serviced, including reserving to us or our Affiliates, or even to other franchisees, the exclusive or non-exclusive right to solicit particular National Accounts or types and/or categories of National Accounts, and requiring you to obtain our prior written consent before soliciting National Accounts. You must comply with all policies concerning National Account. You acknowledge that we make no promise that any particular amount of National Account business will be provided within the Protected Territory. You expressly acknowledge that we may offer to subcontract you to furnish Authorized Products and Services on our behalf to National Accounts in our sole discretion and subject to the applicable customer's approval and terms and conditions, and your execution of a subcontract in the form we prescribe. If we offer you such a subcontract, you will not be obligated to accept it. However, if you decline, or if you accept but we are advised by the National Account or we believe in good faith that the National Account is dissatisfied with your work, or it is otherwise necessary in our judgment in order to preserve the National Account or our reputation, we may perform such services or may subcontract such services as we may determine.

9.13. Hours of Operation. You must continuously operate your Cleaning, Sealing and Staining Business for the hours and days of the week as specified in the Brand Standards Manual, unless different hours have been approved by us.

9.14. Merchant Services. You agree to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "**Credit Card Vendors**") that we may periodically designate as mandatory. The term "Credit Card Vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). You agree not to use any Credit Card Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval. We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider. You must acquire, at your expense, all necessary hardware and/or software used in connection with these non-cash systems.

9.15. Compliance With Data Security Guidelines. You must use your best efforts to protect your clients against a cyber-event, identity theft or theft of personal information. You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its

successor) requires of a merchant that accepts payment by credit and/or debit cards. You must demonstrate compliance upon reasonable request, which may include having an independent third party Qualified Security Assessor (QSA) conduct a PCI/DSS audit. In the event you are unable to demonstrate full compliance, we may require that you engage the services of an approved vendor to assist you on an ongoing basis. Having a secure managed firewall that meets our system standards is one part of the current requirement. You must at all times be compliant with all other Legal Requirements including: (a) the NACHA ACH Security Framework; (b) the operating rules and regulations of all credit card and merchant services providers; (c) state and federal laws and regulations relating to data privacy, data security and security breaches; and (d) our security policies and guidelines, all as they may be amended from time to time.

9.16. Gift Cards. We may establish gift card or customer loyalty programs for use Systemwide. You must acquire and use all computer software and hardware necessary to process the sale of gift certificates and/or stored value cards, loyalty cards and/or customized promotional receipts, and to process purchases made using them and be solely responsible for the service charges related to such processing. You must remit all proceeds from the sale of gift certificates and stored value cards to us or our designee according to the procedures that we prescribe periodically. We will reimburse or credit to you (at our option) the redeemed value of gift certificates and/or stored value cards accepted as payment for products and services sold by your Cleaning, Sealing and Staining Business.

9.17. Compliance With Legal Requirements. You agree to maintain the highest standards and ratings applicable to the operation of your Cleaning, Sealing and Staining Business. You agree to comply with all Legal Requirements and obtain and maintain any and all licenses and permits required by any governmental agencies or otherwise necessary to conduct your Cleaning, Sealing and Staining Business in any jurisdiction in which it operates. You acknowledge that you alone are responsible for complying with Legal Requirements and that we have no obligation to you or any other person for your compliance with Legal Requirements. As between us and you, you are solely responsible for the safety and well-being of your employees and the customers of the franchise business. You acknowledge and agree that your indemnification responsibilities under this Agreement include your obligations under this Section 9.17. You specifically agree to comply with all applicable health and safety laws, ordinances and regulations and to furnish to us copies of all inspection reports, warnings, and certificates, issued by any governmental agency within ten (10) days of your receiving them. If your Cleaning, Sealing and Staining Business is subject to any inspection by any governmental authorities under which it may be rated in one or more than one classification, it must be maintained and operated so as to be rated in the highest available classification with respect to each governmental agency. In the event your Cleaning, Sealing and Staining Business fails to be rated in the highest classification or you receive notice that your Cleaning, Sealing and Staining Business is not in compliance with all applicable standards, you must immediately notify us of such failure or noncompliance

9.18. Lawsuits. You must notify us in writing within five (5) days of your receiving any notification of: (a) the initiation of any action, suit, or legal proceeding against you; or (b) the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality relating to the Cleaning, Sealing and Staining Business.

9.19. Pricing. We reserve the right to establish minimum and maximum prices for the services and products you sell, subject to Legal Requirements. You agree to follow all such pricing rules or guidelines. We have the sole right to determine the prices charged for any products sold by us through any means.

9.20. Improvement(s). If you, your General Manager, employees, or Owners develop any new concept, process or improvement in the operation or promotion of your Cleaning, Sealing and Staining Business or Cleaning, Sealing and Staining Businesses generally (an "**Improvement**"), you agree to promptly notify us

and provide us with all necessary related information, without compensation. Any such Improvement will become our sole property and we will be the sole owner of all related copyrights, trademarks, patents, patent applications, and other intellectual property rights. You must fully disclose the Improvement(s) to us, without disclosing the Improvement(s) to others, and you must obtain our written approval prior to using such Improvement(s). You and your Owners agree to assign to us any rights you or your Owners may have or acquire in the Improvement(s), including the right to modify the Improvement, and you and your Owners waive and/or release all rights of restraint and moral rights in and to the Improvement. You and your Owners agree to assist us in obtaining and enforcing the intellectual property rights to any Improvement. In the event that the foregoing provisions of this Section 9.20 are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe on you or your Owners' rights to the Improvement.

9.21. Service Warranty. You must provide all customers of your Cleaning, Sealing and Staining Business with a full warranty on all services provided to customers by your Cleaning, Sealing and Staining Business as we specify, as designated in the Brand Standards Manual, or otherwise in writing, from time to time (**"Warranty Obligation"**). You must undertake all warranty work, and pay for all costs associated with servicing any and all warranty claims made by any customer of yours.

9.21.1. Reimbursement of Costs. If you fail to complete warranty work on the services you provide to your customers or otherwise fulfill your Warranty Obligation, and we (either directly or indirectly through an agent, independent contractor, or another Cleaning, Sealing and Staining Business) address, repair, or otherwise correct the condition on the work that you performed, then you must reimburse us for the costs (including labor costs, travel costs) and expenses incurred in performing that work, plus a twenty percent (20%) administrative fee. Nothing in this Section 9.21 specifically or in this Agreement generally requires us to directly or indirectly perform any warranty work on your behalf or otherwise assume your Warranty Obligation, as performing warranty work and the Warranty Obligation are your sole responsibility.

9.22. Warranty Fund. We administer the Warranty Fund. The purpose of the Warranty Fund is to protect the Marks and ensure that we are able to address warranty claims that we may choose to address for the goodwill of the System, at our sole discretion. During each and every month of the Term, you must pay us the Warranty Fund Fee, which we will deposit into the Warranty Fund. We may use the fund to: (i) pay for any warranty work we may choose to perform for any customer of a Cleaning Sealing and Staining Business, (ii) collect and account for contributions to the fund; (iii) prepare and distribute financial accountings of the fund; (iv) any other programs we deem necessary or appropriate to protect the goodwill of the System related to warranty work or customer satisfaction; and (v) our and our Affiliates' expenses associated with direct or indirect labor, administrative, overhead or other expenses incurred in relation to any of these activities.

9.22.1. Your Acknowledgement. You agree and acknowledge that the Warranty Fund is intended to protect the goodwill associated with the Marks for the benefit of the System generally and that we have no obligation, in administering the Warranty Fund, to make expenditures for you that are equivalent or proportionate to your Warranty Fund Fee contributions, or to ensure that your Cleaning, Sealing and Staining Business or any other particular Cleaning, Sealing and Staining Business benefits directly or pro rata from the payments made from the Warranty Fund. We have no fiduciary duty to you or to any other person with respect to the collection or expenditure of the Warranty Fund. Our sole duty regarding the Warranty Fund is to spend the money only in the ways described in this Section 9.22. Each Cleaning, Sealing and Staining Business owned by us, or our Affiliate(s), will contribute to the Warranty Fund on the same basis and at the same percentage as you do.

9.22.2. Fund Accounting. All contributions to the Warranty Fund will be deposited into and disbursed from a bank account which may be commingled with our other accounts, except that we will account for the Warranty Fund separately from the other funds in such account(s). Upon your written request, we will furnish to you, after ninety (90) days of the end of the calendar year, a report for the preceding year showing the expenditures made from the Warranty Fund during such calendar year and amount remaining for use (if any) during the following year. This report will not be audited.

9.22.3. Unused Funds; Termination. Although the Warranty Fund is intended to be of perpetual duration, we may in our sole discretion terminate the Warranty Fund or suspend or terminate our collection of the Warranty Fund Fee. If we terminate the Warranty Fund, we may either: (a) spend all monies remaining in the Warranty Fund for the purposes contemplated by this Section 9.21; or (b) distribute the monies remaining in the Warranty Fund to all then-existing Cleaning Sealing and Staining Businesses on a pro rata basis.

10. OPERATIONAL ASSISTANCE BY US

10.1. Training. Prior to beginning operation of your Cleaning, Sealing and Staining Business, you, your General Manager (if applicable) and up to one (1) other management person, must attend, and successfully complete, to our satisfaction, an initial training program in our System, methods of operation, policies, and any other topics as we may determine necessary or appropriate (the "**Initial Training Program**"). The Initial Training Program will take place at a location designated by us (which could include a physical location and/or the Internet). There will be no additional charge for you, your General Manager and up to one (1) other management person (for a possible total of three (3) people) to attend the Initial Training Program. You must not commence operation until you and your General Manager have completed the Initial Training Program to our satisfaction. If we determine in our sole discretion, based on your General Manager's performance in the Initial Training Program, that your General Manager is not qualified to operate a Cleaning, Sealing and Staining Business, we have the right to terminate this Agreement. If your General Manager does not complete the Initial Training Program to our satisfaction (which may include passing our then-current management test) or obtain all necessary licenses, we have the right to terminate this Agreement and retain the Initial Franchise Fee, which we will consider fully earned.

10.1.1. Should you have the need to replace your General Manager, any replacement General Manager (who must be approved by us) must attend the Initial Training Program at a time that it is offered by us within thirty (30) days of the resignation, termination, or non-approval of your former General Manager. We also have the right to require any other management or key personnel to attend and complete our Initial Training Program to our satisfaction. The fee for any additional employees (who we have approved to attend) to attend the Initial Training Program is $500 per attendee.

10.1.2. You must pay all lodging, travel and meals, personal expenses, salary and living expenses incurred by you, your General Manager, your Owners, and/or other persons attending any training program.

10.1.3. We will not pay any compensation for services performed by trainee(s) in connection with training or other assistance, including providing services for us, our Affiliate(s) or other franchisee(s).

10.1.4. If your General Manager has previously attended and successfully completed the Initial Training Program in connection with the operation of another Perma Treat Cleaning, Sealing and Staining Business, we may elect to either: (i) not provide the Initial Training Program to you; or (ii) provide an abbreviated training program.

10.2. Initial Advertising and Marketing Assistance. We will draft and create (with your input) a press release and media advisory for you to use with local media in connection with your initial launch campaign. We will provide you with a listing on our website, and will provide you with a landing page. We will also assist you with an initial launch social media campaign. We have the right to exclusively control all social media accounts that you use in connection with your Cleaning, Sealing and Staining Business, but we may (in our sole discretion) permit you to control such accounts during the Term while you are in compliance with this Agreement.

10.3. Periodic Training and On-Site Assistance. We may require your General Manager, and/or previously trained and experienced employees to attend periodic refresher training courses at such times and locations that we designate, which training may (at our option) take place at your Cleaning, Sealing and Staining Business, at another Cleaning, Sealing and Staining Business, or a training facility operated by us. You may also request our assistance on-site at your Cleaning, Sealing and Staining Business. We have the right to require you to pay our then-current fee (as listed in the Brand Standards Manual) for the additional training. If any training takes place at any location other than a Cleaning, Sealing and Staining Business that we (or our Affiliates) operate, we also have the right to require you to pay for the lodging, travel and meal expenses we incur for our personnel conducting the training. If training takes place somewhere other than your Cleaning, Sealing and Staining Business, you will be solely responsible for the lodging, travel, living and meal expenses for those of your personnel attending the training.

10.4. Meetings, Conferences, or Conventions. We may, in our discretion, hold periodic meetings and/or annual conventions to discuss sales techniques, new Authorized Products and Authorized Services developments, bookkeeping, training, accounting, inventory control, performance standards, advertising programs, procedures and other topics, which may include an annual convention. We have the right to require you and your General Manager to attend, except in no event will you or your General Manager be required to attend more than two (2) meetings, or spend more than four (4) days attending them, in any calendar year. You must pay the travel and living expenses of you, your General Manager, and any other person(s) attending the meeting or conference in connection with such attendance. Additionally, you and any person(s) attending the convention or meeting with you or on your behalf must stay (at your expense) at the host facility selected by us.

10.5. Advice and Consultation. We will impart to you our selling, promotional and merchandising methods and techniques associated with the System, and will provide to you general guidance. We may (but are not required to) visit your Cleaning, Sealing and Staining Business periodically to consult with you and provide advice.

10.6. Remote Assistance. We will make a representative reasonably available to respond to your questions (by telephone or through the Internet) during normal business hours, as we determine necessary, to discuss your operational issues and support needs. We may also provide to you such periodic individual or group advice, consultation and assistance, rendered by telephone, newsletter or bulletins made available from time to time to all Cleaning, Sealing and Staining Businesses, as we may deem necessary or appropriate within our sole discretion. In addition, we may communicate with you concerning new developments, techniques and improvements as we deem appropriate in our sole discretion.

10.7. Site Visits. We may, in our discretion, either directly or by designee visit your Cleaning, Sealing and Staining Business for the purpose of rendering advice and consultation or training with respect to your Cleaning, Sealing and Staining Business, its operation and performance, or to determine whether you are in compliance with System standards. You agree that you and your General Manager will meet with us during any site visits.

10.8. Pricing and Rebates. We may (but are not required to) negotiate purchase agreements with Approved Suppliers to obtain discounted prices for franchisees and other Cleaning, Sealing and Staining Businesses in the System.

11. USE OF TECHNOLOGY

11.1. Computer System. You must purchase and install a computer system meeting our specifications (the "**Computer System**"). You must make all improvements to the Computer System in the manner, and when, specified by us in writing, even if such improvements require you to spend additional money on the Computer System. You have sole and complete responsibility for the manner in which your Computer System interfaces with other systems, including those of us and other third parties, as well as any and all consequences that may arise if your Computer System is not properly operated, maintained and upgraded.

11.1.1. You must purchase equipment and software for the Computer System as we require. You may not install, or permit to be installed, any devices, software or other programs not approved by us for use with the Computer System. You may not authorize the use of the software by anyone else and will not configure, program or change any software programs.

11.1.2. We may from time-to-time designate, develop, or authorize others to develop proprietary or non-proprietary computer applications for use as part of the Computer System, which you may be required to purchase and/or license and use in the operation of your Cleaning, Sealing and Staining Business. You must execute any license, sublicense or maintenance agreement required by us or any other Approved Supplier of proprietary or non-proprietary computer applications designated by us.

11.1.3. You must: (a) promptly enter into the Computer System and maintain all information that we require you to enter and maintain; (b) provide to us such reports as we may reasonably request from the data so collected and maintained, and (c) permit us to access your Computer System at all times and any time by any commercially available means we specify from time to time. You must cooperate with us to permit us access your Computer System and all of its data.

11.1.4. Any and all data collected or provided by you, downloaded from your Computer System, or otherwise collected from you by us or provided to us, is and will be owned exclusively by us, and we have the right to use the data in any manner without compensation to you. During the Term, you are licensed, without additional compensation, to use such data solely for the purpose of operating your Cleaning, Sealing and Staining Business. This license will automatically and irrevocably expire, without additional notice or action by us, when this Agreement terminates or expires.

11.2. Ownership of Customer Information and Goodwill. You acknowledge that we own all information and other business records ("**Customer Information**") with respect to the customers of your Cleaning, Sealing and Staining Business, including all customer-related contact names, addresses, telephone numbers, e-mail addresses, and customer purchase records, and that Customer Information will include all information generated or recorded as a result of your efforts while using the Marks. We do not own and have no responsibility for customer credit card information. You agree to use reasonable efforts to obtain and capture Customer Information, with customer permission, consistent with any customer tracking or loyalty program(s) we may establish from time-to-time. You agree to input Customer Information into the Computer System, or other system or method of retention specified in the Brand Standards Manual, if we direct you to do so. You must not export Customer Information from the Computer System or software. We have the right to use and exploit the Customer Information in any way we choose. You also agree that any goodwill resulting from your activities under this Agreement is our sole property.

12. AUDITS; INSPECTIONS

12.1. Financial Planning and Management. You must keep such complete records of your Cleaning, Sealing and Staining Business as a prudent and careful businessperson would normally keep. You must

keep your financial books and records as we may from time to time direct in the Brand Standards Manual or otherwise, including retention of all invoices, accounts, books, data, licenses, order forms, payroll records, check records, bank deposit receipts, sales tax records, refunds, cash disbursements, journals and general ledgers. On or before the Payment Date, you must submit to us a complete and accurate accounting of your Gross Sales for the previous Reporting Period in the format we request, which may be electronic, through the Computer System or otherwise. You will prepare monthly income statements for your Cleaning, Sealing and Staining Business, which we may require you to submit to us. Within thirty (30) days of the end of each calendar year, you must submit to us a financial statement prepared according to generally accepted accounting principles for that calendar quarter, and it must be signed and sworn by you to be true and correct. You will maintain an accounting system reflecting all operational aspects of your Cleaning, Sealing and Staining Business, including uniform reports as may be required by us, prepared in accordance with accounting methods utilized and generally accepted for federal income tax return purposes. You will also submit to us current financial statements; forms showing the sales, use, and gross receipt taxes paid by you; and such other reports or documents kept by you as we may reasonably request. On or before April 15 of each year, you must provide us with a copy of your federal tax return for the previous tax year. On or before January 31 of each year, you must provide us with annual financial statements relating to your Cleaning, Sealing and Staining Business in a format that we reasonably require. You must maintain the records required under this Section 12.1 for a period of five (5) years after the termination, Transfer, or expiration of this Agreement.

12.2. Inspection Rights and Access to Records. During the Term and for a period of three (3) years following the termination or expiration of the Agreement, we (either directly or through a designated agent) have the right at any time during normal business hours and without advance notice to visit and inspect all aspects of the operation of your Cleaning, Sealing and Staining Business, including: (i) the place where your records are located; (ii) your Business Office; and (iii) your Storage Facility. You acknowledge that any evaluation or inspection we conduct is not intended to exercise, and does not constitute, control over your day-to-day operation of your Cleaning, Sealing and Staining Business or to assume any responsibility for your obligations under this Agreement.

12.2.1. As part of such visit, we have the right to: (a) inspect your Cleaning, Sealing and Staining Business operating materials and supplies; (b) observe the operations of your Cleaning, Sealing and Staining Business for such consecutive or intermittent periods as we deem necessary; (c) take photographs, movies or video recordings of your Cleaning, Sealing and Staining Business; (d) interview your personnel; (e) conduct customer surveys; (f) inspect and copy any books, Customer Information, records, and documents relating to the operation of your Cleaning, Sealing and Staining Business, including contracts, leases, and material and information generated by or contained in the Computer System; and (g) select and take products, inventory, supplies, equipment and other items from your Cleaning, Sealing and Staining Business to evaluate whether they comply with our Brand Standards Manual. You must cooperate fully with us in connection with these inspections, observations, surveys and interviews. We will not be obligated to give you or your General Manager any prior notice of any such inspection. We may require you or your General Manager to correct any issues that we discover during the inspection.

12.2.2. You authorize us or our designee to make reasonable inquiries of your bank, suppliers and trade creditors concerning your Cleaning, Sealing and Staining Business, and by this Agreement you direct such persons to provide us with such information and copies of documents pertaining to your Cleaning, Sealing and Staining Business as we request.

12.2.3. We and our designee have the right to discuss your records and your Cleaning, Sealing and Staining Business with your General Manager and any officers, directors and employees responsible for maintaining records.

12.2.4. We will have the right to share your financial information with your actual or prospective landlords or lenders, and among our franchisees generally. We will have the right to use your information in our franchise disclosure document.

12.3. Audit. We and/or our designated agents have the right at all reasonable times to examine and copy, at our expense, your books, records, accounts, sales tax records, Customer Information, and business tax returns relating to your Cleaning, Sealing and Staining Business. We also have the right, at any time, to have an independent audit made of your books and records or to require you to participate in a mail-in audit or any other form of audit in accordance with the Brand Standards Manual. You agree to cooperate fully with our representatives and independent accountants in any examination. If an inspection or audit reveals that any payments due to us have been understated in any report to us, then you must immediately pay us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. If: (a) you refuse to cooperate with an audit or an inspection; or (b) an inspection or audit discloses an understatement in any report of two percent (2%) or more, you must, in addition to repaying money owed with interest, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging and wage expenses, and reasonable accounting and legal costs). The remedies in this Section 12.3 are in addition to any other remedies we may have as a result of your underreporting, including but not limited to, the right to terminate this Agreement.

12.3.1. You must provide access to your books, records, accounts, sales tax records, Customer Information, and business tax returns relating to your Cleaning, Sealing and Staining Business, which must be maintained and presented in reasonable order to allow the audit to be conducted in a reasonable time.

12.3.2. Your failure, refusal or neglect to dispute any fees or contributions that an audit reveals you owe, including any fees, costs and penalties assessed in connection with an audit, constitutes a waiver of any right to challenge such fees, unless you provides us written notice of your dispute, along with an explanation of the basis for your dispute, within thirty (30) days of the date we deliver the audit results to you in writing.

12.4. Consent to Use of Likeness and your Cleaning, Sealing and Staining Business. You agree that we have the right to use the likeness (including photographs or videos containing images) of: (a) your Owners; and (b) your Cleaning, Sealing and Staining Business, for any purposes relating to the promotion or marketing of the System or Marks. You are required to obtain releases, as designated in the Brand Standards Manual or otherwise in writing, from employees and customers prior to using any videos or pictures in marketing your Cleaning, Sealing and Staining Business that contain their likeness or property.

12.5. Mystery Shoppers. You acknowledge that we may use mystery shoppers to evaluate you and your Cleaning, Sealing and Staining Business.

13. YOUR OWNERS AND GUARANTORS; RELATIONSHIP BETWEEN THE PARTIES

13.1. Your Name. You must operate solely under the name identified on **Addendum 1** and will use "Perma Treat®" or our other Marks **only** as a "doing business as" (d/b/a) designation. You may not use other names in connection with any advertising or operation of your Cleaning, Sealing and Staining Business. We have the right to review and require changes to any display of your name or the Marks.

13.1.1. You may not include "Perma Treat®" or any of the Marks in your legal name.

13.1.2. You must post a conspicuous notice on or near the front of the Vehicle(s) that clearly states: "EACH PERMA TREAT® BUSINESS IS INDEPENDENTLY OWNED AND OPERATED" or

any modification of this statement as we may require in the Brand Standards Manual. You must include this disclaimer on all business cards, stationery, promotional and advertising materials, website and Internet communications, and all other materials you use.

13.1.3. In all public records, in relationships with other persons, and on letterhead and business forms, you must indicate that you independently own your Cleaning, Sealing and Staining Business, and that you are solely a franchisee of Perma Treat, Inc.

13.2. Relationship of Parties. We and you intend that this Agreement creates only a franchisor and franchisee relationship, and no other. You have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as our agent or representative for any purpose whatsoever. Neither we nor you are the employer, employee, agent, partner or co-venturer of or with one another, each of us being independent from each other. You will not hold yourself out as our agent, employee, partner or co-venturer. Neither you nor we have the power to bind or obligate the other except specifically as stated in this Agreement. We and you agree that the relationship created by this Agreement is one of an independent contractor and not a fiduciary relationship.

13.2.1. We will not be obligated for any damages, claim, or obligation to any person or property, directly or indirectly arising out of your operation of your Cleaning, Sealing and Staining Business, whether or not caused by your negligent or willful action or failure to act, or your use of the Marks in a manner not in accordance with this Agreement. You must not use any of the Marks in signing any contract or in applying for any license or permit or in a manner that may result in our liability for your debts or obligations.

13.2.2. All employees or independent contractors hired by or working for you will be your employees or independent contractors alone and will not, for any purpose, be deemed our employees or subject to our control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, payments, unemployment insurance, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. You and we will file our own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments with respect to our respective employees and operations, and we will save and indemnify one another of and from any liability of any nature whatsoever by virtue thereof. Neither this Agreement, nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa.

13.2.3. We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or independent contractors for qualification to perform certain functions for your Cleaning, Sealing and Staining Business does not directly or indirectly vest in us the power to hire, fire or control any such employee or independent contractor. You alone are solely responsible for all hiring and employment decisions and functions relating to your Cleaning, Sealing and Staining Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, setting hours for, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. You agree that any direction you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from you to us.

13.2.4. You agree to inform each of your employees and contractors that you alone are their employer, and that we are not. You agree to explain to your employees and contractors the respective roles of a franchisor and franchisee and our relationship with you, and you will request that your employees and contractors sign any acknowledgement or disclosure we reasonably require explaining the differences between us (your franchisor) and you (their employer or contractor).

13.2.5. You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your Cleaning, Sealing and Staining Business and that under no circumstance will we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of System which you are required to comply with under this Agreement, whether set forth in the Brand Standards Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Cleaning, Sealing and Staining Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Cleaning, Sealing and Staining Business.

13.2.6. You acknowledge that we may, from time-to-time, make certain recommendations as to employment policies and procedures, which may include (among other things) a sexual harassment policy. You will have sole discretion in whether to adopt any such policies and procedures, and as to the specific terms of those policies and procedures. Training with respect to all such policies and procedures will be your sole responsibility.

13.3. Owners Agreement. You and each of your Owners must, jointly and severally, sign the Owner Agreement attached as **Addendum 2,** and you and each of your Owners will otherwise bind yourselves to the terms of this Agreement. If the ownership interest is acquired after Effective Date, each new Owner must sign and provide the Owner Agreement to us within ten (10) days after obtaining the interest as an Owner.

14. INDEMNIFICATION; INSURANCE

14.1. Indemnification. You, and each of the Owners identified on **Addendum 1**, agree that you will, at all times, indemnify, exculpate, defend and hold harmless, to the fullest extent permitted by law, us, our successor, assigns, and Affiliates (including but not limited to Perma Treat, Inc.) and the respective officers, directors, shareholders, agents, representatives, independent contractors, servants, and employees of each of them (the "**Indemnified Parties**") from all losses and expenses incurred in connection with any action, suit, proceeding, claim, damages (actual, consequential, or otherwise), demand, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, investigation, or inquiry (formal or informal), or any settlement of any of them, which arises out of or is based upon any of the following:

14.1.1. The infringement, alleged infringement or any other violation by you, your Owners or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your unauthorized use of all or any portion of the Marks and/or System.

14.1.2. Your, or your Owners', violation, breach, or asserted violation or breach of any federal, state, or local law, regulation, ruling or industry standard.

14.1.3. Your, or your Owners', libel, slander, or any other form of defamation.

14.1.4. Your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees.

14.1.5. Your, or your Owners': (a) violation or breach of any warranty, representation, agreement, or obligation in this Agreement or in any other agreement between you and us or our Affiliates; (b) acts, errors, or omissions, or those by any of your affiliates, any of your principals, officers, directors, shareholders, agents, representatives, independent contractors, or employees in connection with the establishment and operation of your Cleaning, Sealing and Staining Business, including, but not limited to, any acts, errors, or omissions of any of them in the operation of any motor vehicle or in the establishment or implementation of security for your Cleaning, Sealing and Staining Business.

14.1.6. Any damages, incidents, or claims listed in this Section 14.1 that are alleged to be caused by an Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by the Indemnified Party's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

We have the right to defend any such action or claim against us at your expense. This indemnification will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. For the purposes of the indemnification in this Section 14.1 only, the term "claim" also includes all obligations and costs incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountant, arbitrator, attorney, and expert witness fees, costs of investigation and proof of facts, court costs, and other expenses of litigation, arbitration, or alternative dispute resolution and travel and living expenses.

14.2. Mitigation Not Required. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

14.3. Insurance. During the Term, you must maintain in force, at your expense, policies of insurance, in the minimum amounts specified by us, issued by carriers approved by us, that have a rating of at least A- by A.M. Best, or the equivalent. Specifically, you must purchase and maintain throughout the term of the Agreement: : (1) comprehensive commercial general liability insurance for the franchised business of at least $1,000,000 per occurrence, $2,000,000 aggregate limit, and $500,000 damage to rented premises per occurrence; (2) products and completed operations coverage with an aggregate coverage of $2,000,000; (3) personal and advertising injury coverage of $1,000,000 per occurrence, with $10,000 per person in medical benefits; (4) business interruption coverage to include all perils property and casualty coverage; (5) excess or umbrella liability insurance with limits of not less than $2,000,000 per occurrence, and $2,000,000 in the aggregate, (6) business interruption coverage providing for at least twelve (12) months coverage of profits and necessary operating expenses; (7) vehicle coverage, including any hired or non-owned vehicles used in your Cleaning, Sealing and Staining Business' operation of $1,000,000 single limit for bodily injury and property damage, which coverage is to include underinsured and uninsured motorists coverage; (8) worker's compensation in such amounts as required by state law for the state in which you operate your Cleaning, Sealing and Staining Business, with employers lability of $1,000,000 for each accident/disease; (9) employer's liability insurance of $1,000,000; (10) unemployment insurance as required by state law for the state in which you operate your Cleaning, Sealing and Staining Business; (11) state disability insurance as required by state law for the state in which you operate your Cleaning, Sealing and Staining Business; and (12) professional errors & omissions insurance and/or other insurance coverage as may be required by agreements under which you provide the services of your Cleaning, Sealing and Staining Business; (13) other insurance to meet any applicable Legal Requirements. We may unilaterally modify our insurance requirements, which modifications may include increasing minimum policy limits, by delivering to you

written notice of the change through the Brand Standards Manual. Note that the foregoing requirements (and any approval or wavier of said insurance) by us are not intended to and will not in any manner limit or qualify your liabilities, whether imposed by Legal Requirements or assumed pursuant to any agreement, including, but not limited to, the provisions concerning indemnification.

14.3.1. Additional Named Insured. Each insurance policy, with exception of the workers' compensation insurance policy, must contain an endorsement naming us (and, if we so request, our members, directors, agents, and Affiliates) as "Additional Named Insured" (and not as "additional insureds") in the broadest form, extending to our negligence and errors and omissions, and cannot be limited to vicarious liability. You must provide us with thirty (30) days advance written notice of any material modification, cancellation, or expiration of the policy. All policies must also include a waiver of the insurer's right of subrogation against any of us, and provide coverage for your indemnification obligations under this Agreement. The insurance afforded to additional insureds must apply as primary insurance and not contribute to any insurance or self-insurance available to us.

14.3.2. Continuation of Policy. Regardless of the amounts we state above, it is your responsibility to maintain adequate insurance coverage at all times during the term of and after the expiration of this Agreement, so that coverage, including but not limited to any policies that are on a "claims made" basis, which through the purchase of an extended reporting endorsement (i.e., "tail" insurance) will be in effect for acts or omissions that occurred prior to the termination of the policy and are reported within a 24 month period following the end of the policy period.

14.3.3. Copies of Policies. You must provide us with copies of policies evidencing the existence of the insurance required by this Section 14.3 at least ten (10) days prior to the time you are first required to carry insurance, and thereafter at least thirty (30) days prior to the expiration of any policy, along with certificates evidencing such insurance.

14.3.4. Our Right to Obtain Insurance. In the event you fail to obtain the required insurance and to keep it in full force and effect, we may, but will not be obligated to, purchase insurance on your behalf from an insurance carrier of our choice, and you must reimburse us for the full cost of such insurance, plus an administrative fee equal to 20% of the cost of such premiums, within five (5) days of the date we deliver you an invoice detailing such costs and expenses.

14.3.5. Acknowledgement. You acknowledge that the foregoing minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect you from losses in connection with your Cleaning, Sealing and Staining Business. Nothing in this Agreement prevents or restricts you from acquiring and maintaining insurance with higher policy limits or lower deductibles than we require. Any insurance policies that we carry do not and will not limit or relieve you from any of your obligations under this Article 14.

15. ASSIGNMENT

15.1. By Us. You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as our owners, directors, officers, and employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

15.2. Assignment by You. We have entered into this Agreement in reliance upon and in consideration of your singular personal skill and your qualifications, as well as the trust and confidence we have in you. Therefore, neither your interest in this Agreement, nor any interest in: (a) you; (b) any of your Owners; (c) substantially all of your assets; or (d) your Cleaning, Sealing and Staining Business, can be assigned, transferred, given away or encumbered, voluntarily or involuntarily (a "**Transfer**"), without our prior written consent.

15.2.1. We will not unreasonably withhold approval of a Transfer if you comply with the conditions of this Article 15. Our consent to a Transfer will not be a waiver of any claims we may have against you.

15.2.2. If, after a Transfer approved by us, one of your Owners no longer has any interest in you or your Cleaning, Sealing and Staining Business, then that person will be relieved of liability for any obligations to us that arise *after* the date of the Transfer, except for those obligations that arise under Articles 16 or 18.

15.3. Conditions for Approval of Transfer. We, in our discretion, may impose conditions on granting our consent to the Transfer, which conditions may include any or all of the following:

15.3.1. You and your Owners must be in full compliance with this Agreement, and must have been in substantial compliance with this Agreement during the Term, and must pay all amounts then owed to us or our Affiliates.

15.3.2. The transferee must complete and submit all application documents required by us from prospective franchisees at the time of the assignment and be approved in writing by us.

15.3.3. The transferee must have, at our option, either: (i) assumed this Agreement by a written assumption agreement approved by us (which will include a personal guarantee(s) by the transferee, its principals and/or owners of a beneficial interest in transferee), or have agreed to do so at closing; or (ii) executed a replacement franchise agreement on the standard form of franchise agreement we are then offering to new franchisees, which may differ from this Agreement in all material respects, including but not limited to having a smaller Protected Territory and higher or different fees than were granted in this Agreement.

15.3.4. The transferee must agree to accept responsibility for your Warranty Obligation and any and all warranty work you are or would be responsible for in connection with your Cleaning, Sealing and Staining Business.

15.3.5. You must pay us a transfer fee of ten thousand dollars ($10,000) plus expenses incurred for the transfer no fewer than five (5) days before you complete the Transfer.

15.3.6. At the expense of either you or the transferee, upgrade, remodel, or replace the assets used by your Cleaning, Sealing and Staining Business, including any and all of your equipment, to conform to our then-current standards and specifications for new franchisees, and complete the upgrading, remodeling, or replacing and other requirements within the time specified by us.

15.3.7. Prior to the date of Transfer, your transferee will attend training at our designated location as required under the-then current franchise agreement being used by us.

15.3.8. You and each Owner must have executed a general release, on our then-current form (our current form is attached to the Franchise Disclosure Document as **Exhibit F**), of any and all claims

against us and our Affiliates and our and their respective officers, directors, shareholders, managers, members, agents and employees in their corporate and individual capacities; provided, however, that any release will not be inconsistent with any state law regulating franchising.

15.3.9. If any part of the sale price is financed, you must agree that all obligations of the transferee under any promissory note, other payment agreement, or financing statement will be subordinate to the obligations of the transferee to pay the Royalty Fee, Brand Fund Fee, and other amounts due to us and our Affiliates pursuant to this Agreement, and you will provide any such promissory note, payment agreement or financing statement to us for our review and approval.

15.3.10. You must execute a written agreement not to compete in favor of us and your transferee, with terms the same as those set forth in Sections 16.5 and 16.6.

15.4. Right of First Refusal. At least sixty (60) days before you intend to Transfer your Cleaning, Sealing and Staining Business, you must give written notice to us of your intention to make a Transfer. This notice must include a fully-executed copy of any sale document, and any documents referred to in them.

15.4.1. We will have the right to acquire the transferred interest at the same price, and on the same terms and conditions, as contained in any bona-fide offer from a third party made to you. If we exercise this right, we will do so within thirty (30) days of receiving from you all documents that we reasonable request in connection with the proposed Transfer. If we do not indicate to you our intention to exercise this right within that thirty (30) day period, we will be deemed to have elected not to exercise our right of first refusal. Our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed transferee).

15.4.2. We must receive, and you and your Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a Business Entity, as applicable.

15.4.3. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 15.4.

Any material change in the terms of any offer prior to closing will constitute a new offer subject to the same right of first refusal by us. This Section 15.4 will not apply to: (a) a Transfer by you or your Owners to adult children of you or your Owners; or (b) the Transfer of your shares to an Owner who was identified on **Addendum 1** of this Agreement as of the Effective Date and has signed an Owner Agreement with us in the form attached as **Addendum 2**.

15.5. Death, Disability or Incapacity of You or Your Owners. Upon the death or permanent incapacity (mental or physical) of you or of any Owner who has a controlling interest in you, the executor, administrator, or personal representative of such person must Transfer such interest to a third party approved by us within six (6) months after such death or mental incapacity. Such Transfers, including, without limitation, Transfers by devise or inheritance, will be subject to the same conditions as an inter vivos transfer. In the case of Transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section 15.5, the executor, administrator, or personal representative of the decedent must Transfer the decedent's interest to another party approved by us within six (6) months, which disposition will be subject to all the terms and conditions for Transfer contained in this Agreement. If the interest is not disposed of within the six (6) month period, we may, at our option, terminate this Agreement.

15.6. Termination, Resignation, Death or Disability of General Manager. If, due to termination, resignation, death, or disability, no one is able to perform management or training supervisory duties relating to your Cleaning, Sealing and Staining Business, you must, within a reasonable time not to exceed thirty (30) days from the date of termination, resignation, death, or disability, appoint a new General Manager (as the case may be). Each new General Manager must, at your expense, attend and complete the Initial Training Program to our satisfaction within thirty (30) days of their appointment as your new General Manager. If, in our sole judgment, your Cleaning, Sealing and Staining Business is not being managed properly, or your employees are not being adequately supervised, at any time after the General Manager's termination, resignation, death, or disability, we will have the right (but not the obligation) to exercise our step-in rights under Section 17.9.

16. COMPETITION; PROTECTION OF OUR CONFIDENTIAL INFORMATION

16.1. Your Acknowledgement. You acknowledge that you will obtain knowledge of our Confidential Information that is essential to the operation of your Cleaning, Sealing and Staining Business, without which information you could not effectively and efficiently operate it. You further acknowledge that such Confidential Information was not known to you prior to execution of this Agreement. You further acknowledge and agree that all of the Confidential Information is our sole property, represents our valuable assets, and that we have the right to use the Confidential Information in any manner we wish at any time.

16.2. Use and Disclosure of Confidential Information. You will not use any Confidential Information for any purpose other than in the manner we permit or direct. You may disclose Confidential Information only to such of your employees, agents, independent contractors and representatives as reasonably necessary in order to operate your Cleaning, Sealing and Staining Business. You will not, during the Term or afterward, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees and independent agents as must have access to it in order to operate your Cleaning, Sealing and Staining Business, and you agree that your use of Confidential Information for any purpose other than the development and operation of your Cleaning, Sealing and Staining Business in accordance with this agreement would constitute unfair competition. Any and all Confidential Information is not to be used for any purpose other than conducting your Cleaning, Sealing and Staining Business. You agree not to make any copies of, reproductions of, or extracts of any Confidential Information except strictly incidental to, and solely in furtherance and within the scope of your relationship with us. You will never reveal any Confidential Information to any person, except as permitted by this Agreement or pursuant to an order from a court of competent jurisdiction. In the event that you should receive such a court order, you must provide us immediate oral and written notice of such order, and must cooperate with us in protecting the secret nature of the Confidential Information. If you at any time conduct, own, consult with, are employed by, or otherwise assist a similar or Competitive Business, the doctrine of "inevitable disclosure" will apply, and it will be presumed that you are in violation of this covenant. It will be your burden to prove that you are not in violation of this covenant.

16.3. Preservation of Confidentiality. You must not permit any person (including your Owners, General Managers, principals, officers, directors, independent contractors and employees) to access Confidential Information (including the Brand Standards Manual) without first requiring them to execute confidentiality agreements, in a form we approve, requiring that all Confidential Information that may be acquired by or imparted to such person be held in strict confidence and used solely for the benefit of you and us. All confidentiality agreements described in this paragraph must include a specific identification of us as a third-party beneficiary with the independent right to enforce the agreement. Our current approved form is attached to our Franchise Disclosure Document as **Exhibit I**.

16.4. Covenant Not to Compete: During Term. You covenant and agree that, during the Term and any successor term(s), neither you nor your Owners, General Manager(s), officers, directors, members, and partners will directly or indirectly own, invest in, partner with, direct, serve as an officer or director for, be

employed by, act as consultant for, represent, act as an agent for, or divert or attempt to divert any customer, person, or business to, any Competitive Business anywhere.

16.5. Covenant Not to Compete: After Term. For the reasons stated in Section 16.1 above, you covenant and agree that, for a period of three (3) years after the termination of this Agreement (or any successor to it), regardless of the reason, cause, purpose, or source of the termination (including but not limited to your Transfer of this Agreement), neither you nor your owners, managers, General Manager(s), officers, directors, members, and partners will directly or indirectly own, invest in, partner with, direct, serve as an officer or director for, be employed by, act as a consultant for, represent, or act as an agent for, any Competitive Business within: (a) one-hundred (100) miles of the Protected Territory; or (b) a one-hundred (100) mile radius of any other Cleaning, Sealing and Staining Business that is then open or set to open.

16.6. Covenant Not to Divert Customers. You agree that, during the Term or any successor term(s), and for a period of three (3) years after the termination or expiration of this Agreement or any successor agreement(s), you will not divert, attempt to divert, or accept business from any customer to any Competitive Business.

16.7. You Acknowledge that these Covenants Are Reasonable. You agree that all covenants in this Agreement and this Article 16 are fair and reasonable in both duration and area, and will not impose any undue hardship on you. You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to enforcement by us of the covenants in this Article. You further acknowledge that a violation of any covenant in this Article 16 will cause us irreparable harm, the exact amount of which may not ascertainable, and therefore, you consent that in the event of such violation, we will, as a matter of right, be entitled to apply for injunctive relief to restrain you, or anyone acting for you or on your behalf, from violating said covenants. Such remedies, however, are cumulative and in addition to any of the remedies to which we may then be entitled. The covenants set forth in this Article 16 will survive the termination, expiration or Transfer of this Agreement. You agree to pay all costs and expenses, including, without limitation, reasonable attorneys' fees, that we incur in connection with our enforcement of the covenants in this Article 16. YOU EXPRESSLY ACKNOWLEDGE THAT YOU POSSESS SKILLS AND ABILITIES OF A GENERAL NATURE AND HAVE OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, YOU REPRESENT TO US THAT ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE YOU OF THE ABILITY TO EARN A LIVING.

16.8. Covenants Are Severable; Tolling. The parties agree that each covenant in this Article 16 must be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held unenforceable or unreasonable by a court or agency having competent jurisdiction in any 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 resultant covenant were separately stated in and part of this Agreement. Any period of time specified in this Article 16 will be tolled and suspended for any period of time during which you are in violation of any restrictive covenant.

16.9. Limited Exclusion. The restrictions contained in Sections 16.4 and 16.5 above will not apply to ownership of less than five percent (5%) of the shares of a company whose shares are listed and traded on a national securities exchange if such shares are owned for investment only.

17. DEFAULT; TERMINATION

17.1. Automatic Termination Without Notice. You are in material breach of this Agreement, and this Agreement will automatically terminate without notice, if:

17.1.1. Insolvency. You become insolvent or make an assignment for the benefit of creditors.

17.1.2. Filing of Bankruptcy Petition. You file a petition in bankruptcy, or such a petition is filed against you and you do not oppose it.

17.1.3. Adjudication of Bankruptcy. You are adjudicated as bankrupt or insolvent.

17.1.4. Receivership. A bill in equity or other proceeding for the appointment of a receiver of: (1) you; (2) your Cleaning, Sealing and Staining Business; or (3) another custodian for your business or assets, is filed or consented to by you, or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part of them, is appointed by a court of competent jurisdiction.

17.1.5. Creditor Composition Proceedings. Proceedings for a composition with creditors under any state or federal law is instituted by or against you.

17.1.6. Final Judgment. A final judgment against you in the amount of twenty five thousand ($25,000) dollars or more remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed).

17.1.7. Dissolution. You voluntarily dissolve or liquidate, or have a petition filed for corporate or partnership dissolution filed against you and the petition is not dismissed within thirty (30) days.

17.1.8. Execution. Execution is levied against your business or property.

17.1.9. Levy or Foreclosure. The real or personal property of your Cleaning, Sealing and Staining Business is sold after levy by any sheriff, marshal, or constable, or a suit is filed to foreclose a lien or mortgage against any of your assets and it is not dismissed within thirty (30) days.

17.2. Immediate Termination With Notice and No Opportunity to Cure. We will have the right to terminate this Agreement immediately, without providing you an opportunity to cure, upon our delivery of written notice to you under any of the following circumstances:

17.2.1. Failure to Open. You fail to open your Cleaning, Sealing and Staining Business on or before the Commencement Deadline.

17.2.2. Abandonment. You fail to keep your Cleaning, Sealing and Staining Business operating for a period of three (3) consecutive days, except as may be allowed by us in the Brand Standards Manual or otherwise in writing.

17.2.3. Certain Acts. Conduct or activity by you, your General Manager(s), or Owners that is reasonably likely to have an adverse effect or reflect unfavorably on your Cleaning, Sealing and Staining Business, us, the System, Cleaning, Sealing and Staining Businesses generally, the Marks, or the goodwill associated with them, including (but not limited to) a felony conviction of you or of any of your Owners, or General Manager(s).

17.2.4. Unauthorized Assignment. You or an Owner purport to sell, assign, Transfer or encumber this Agreement, your Cleaning, Sealing and Staining Business or an interest in you without our prior written consent in violation of Article 15.

17.2.5. Failure to Comply With Laws. You fail to comply with any material Legal Requirement applicable to the operation of your Cleaning, Sealing and Staining Business, and fail within the time period allowed by law (if applicable) to cure the noncompliance following your receipt of notice of the noncompliance. If no time period is specified, the cure period will be twenty-four (24) hours from the receipt of such notice.

17.2.6. Repeated Defaults. We deliver to you two or more written notices of default pursuant to this Article 17 within any twelve (12) month period, regardless of whether the defaults described in the notices ultimately are cured.

17.2.7. Understating Gross Sales. You submit on two or more occasions during the Term a report, financial statement, tax return, schedule or other information or supporting record (including submission by or through the Computer System) which understates your Gross Sales by more than two percent (2%). This provision will only apply if the understatement did not result from an inadvertent error or error made by the Computer System.

17.2.8. Material Misrepresentations. You make any material misrepresentations relating to the acquisition of your Cleaning, Sealing and Staining Business or in connection with the operation of your Cleaning, Sealing and Staining Business.

17.2.9. Failure to Allow Audit or Inspection. You refuse to allow or cooperate with the audits or inspections by us described in Article 12.

17.2.10. Violation of Restrictive Covenants. You or your Owners violate any of the restrictive covenants against competition or use or disclosure of our Confidential Information in Article 16.

17.2.11. Interference With Relationships. You interfere or attempt to interfere with our actual or prospective contractual relations with Approved Suppliers, other Cleaning, Sealing and Staining Businesses, employees, advertising agencies or any third parties.

17.2.12. Sale of Unapproved Products or Services. Unless otherwise authorized by us in writing, you offer or sell as part of your Cleaning, Sealing and Staining Business any unapproved product, service or program; do not sell Authorized Products or Services, or do not use or disseminate (as applicable) all materials, notices and procedures specified by us.

17.2.13. Intellectual Property Misuse. If you challenge the validity of, materially misuse, or make any unauthorized use disclosure, or duplication of, the Marks or Confidential Information (excluding only independent acts of employees or others if you exercised its best efforts to prevent such disclosures or use).

17.2.14. Anti-Terrorism Laws. You violate, or make any misrepresentation regarding your compliance with, or violation of, Anti-Terrorism Laws by you, your Owners, officers, directors, General Managers, managers, members, partners, or agents.

17.3. Termination After 30-day Cure Period. We have the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within thirty (30) days after delivery of written notice: (a) you do not obtain or maintain required insurance coverage; (b) you do not pay any amounts due to us (including to the Brand Fund); (c) you do not pay all amounts for which we have advanced funds for or on your behalf, or upon which we are acting as guarantor of your obligations; (d) you or your employees fail to obtain and maintain any permit or license necessary for the operation of your Cleaning, Sealing and Staining Business; (e) your Owners

are engaged in a dispute with one another (deadlock) that materially affects the operation of your Cleaning, Sealing and Staining Business, which dispute or deadlock remains unresolved after the expiration of the thirty (30) day cure period; (f) you fail to resolve customer complaints and/or disputes as required by Section 9.11; or (g) you fail to make a timely payment of any amount due to an Approved Supplier unaffiliated with us (other than payments which are subject to a bona fide dispute), and do not correct such failure after we deliver to you notice of your failure to comply. The description of any breach in any notice served by us upon you will in no way preclude us from specifying additional or supplemental breaches in any action, arbitration, hearing or suit relating to this Agreement or its termination.

17.4. Termination with 30-Day Cure Period. Except for any default by you under Sections 17.1, 17.2, or 17.3 of this Agreement, and as otherwise expressly provided elsewhere in this Agreement, you will have thirty (30) days after our written notice of default within which to remedy any default under this Agreement, and to provide evidence of such remedy to us. If any such default is not cured within that time, this Agreement and all rights will automatically terminate without further notice or opportunity to cure.

17.5. Effect of Laws; Election by us not to Terminate Immediately. If applicable law will not allow the termination of this Agreement immediately as stated in Sections 17.1 or 17.2 above, or if we elect not to have the default result in the immediate termination of this Agreement, the concerned default will be subject to the provisions of, and the cure period stated in, Paragraph 17.4, unless we specify a different cure period in the written notice of default. If applicable law requires a longer cure period than that specified in this Agreement, the longer period will apply.

17.6. Our Pre-Termination Options. If you fail to pay any amount owed under this Agreement, or fail to comply with any term of this Agreement or the Brand Standards Manual (subject to applicable notice and cure periods), then, in addition to our right to terminate this Agreement or to bring a claim for damages, we have the following options as we deem necessary:

17.6.1. To suspend all services provided to you under this Agreement or otherwise, including training, marketing assistance, and the sale of products and supplies.

17.6.2. To eliminate listing you in any advertising, marketing or promotional materials, including any directory listings, approved or published by us, and our principal website.

We may continue taking these actions until you comply with the requirements of any default notice that we have sent to you, and we acknowledge your compliance in writing. The options in this Section 17.6 will have no effect on, and will not release you from, any obligation you owe to us or to our Affiliates.

17.7. Termination by You. You can terminate this Agreement only with our prior written consent, or if we commit a material breach of this Agreement that is not cured within sixty (60) days after written notice from you. If the nature of the breach is such that we will be unable to cure it within the required sixty (60) day period, we can take such additional time as may be reasonably necessary within which to cure said breach provided that we have begun taking corrective action within the sixty (60) day period, and we pursue it diligently to completion.

17.8. Cross-Default. Any default by you under any agreement between you and us or you and our Affiliates, and your failure to cure within any applicable cure period, will be considered a default under this Agreement and will provide an independent basis for us to terminate this Agreement. If the default under the other agreement is such that it would entitle us to immediately terminate that other agreement, then we will be entitled to immediately terminate this Agreement in the manner stated in Section 17.2.

17.9. Step-In Rights and Management. To prevent any interruption of business of your Cleaning, Sealing and Staining Business and any injury to the goodwill and reputation of your Cleaning, Sealing and Staining Business, the System, or other Cleaning, Sealing and Staining Businesses which may be caused by such

interruption, in the event of: (a) your default under this Agreement; (b) our termination of the Agreement under Sections 17.1 through 17.4; (c) our reasonable belief that a condition of your Cleaning, Sealing and Staining Business or any product sold at your Cleaning, Sealing and Staining Business poses a threat to the health or safety of customers; or (c) your death or permanent incapacity (mental or physical), we will have the right (but not the obligation) to operate your Cleaning, Sealing and Staining Business for as long as we deem necessary and practical. You hereby authorize us to undertake such operation, and agree that our operation of and making corrections to, your Cleaning, Sealing and Staining Business within our reasonable business judgment will not make us or our agents guilty of trespass or any other tort, and that our exercising these rights will not constitute a waiver of any other rights or remedies we may have under this Agreement. If we operate your Cleaning, Sealing and Staining Business, we will have the right to collect and pay from the revenues of your Cleaning, Sealing and Staining Business all expenses relating to the operation of your Cleaning, Sealing and Staining Business including, without limitation, Royalty Fees and Brand Fund contributions, employee salaries, reimbursement of our expenses incurred in connection with such operation (including travel, lodging, and living expenses), and a management fee of eight hundred and fifty dollars ($850) per day. You must indemnify and hold us harmless from any and all claims arising from the alleged acts and omissions of us and our representatives in exercising rights under this Section 17.9.

18. POST TERMINATION OBLIGATIONS

Upon termination or expiration of this Agreement for any reason, or (as applicable) a Transfer by you, you will immediately cease operating your Cleaning, Sealing and Staining Business and:

18.1. Cease Use of Marks and System Materials. You must immediately cease all use of the Marks and Trade Dress, the Brand Standards Manual, materials relating to the System and its operation, and Confidential Information, and you must not use any trademarks, tradenames, service marks, or other commercial symbols that indicate or suggest a connection with us.

18.2. Representations of Affiliation. You must refrain from any representation whatsoever that you are our franchisee, or that you are or have been affiliated with us, and take any affirmative action necessary to remove any use of the Marks in connection with your Cleaning, Sealing and Staining Business. You must, at our option and request, assign to us all rights to all telephone numbers, e-mail addresses, URLs, domain names, social media identities, Internet listings, and Internet accounts related to your Cleaning, Sealing and Staining Business. If you do not voluntarily comply with this Section 18.2, we may, at our option, execute in your name and on your behalf, any and all documents necessary to end your use of the Marks and you irrevocably appoint the person serving as our manager or President as your attorney-in-fact to do so. You must take all actions as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks. You must never use any trade name, trademark, or other identifying symbol that is confusingly similar to any of the Marks.

18.3. Payment; Security Interest. You must pay all sums owed under the terms of any agreement with us or our Affiliates within fifteen (15) days of termination or expiration of this Agreement, or such later date that any amounts due have been determined by us. Those sums will include all interest, damages, costs and expenses, including reasonable attorneys' fees, incurred by us, whether or not the sums are incurred prior to or subsequent to the termination or expiration of this Agreement. The money you owe us will also include the Liquidated Damages and all other costs and expenses, including, without limitation, reasonable attorneys' fees, costs, and expenses incurred by us in obtaining injunctive or other relief to enforce the provisions of this Agreement. You grant to us a security interest (which will be subordinate to any purchase money security interest) in any equipment, inventory, supplies, furniture and fixtures and goods used or related to your Cleaning, Sealing and Staining Business, to the extent that we have not received all funds due and owing from you. This Agreement will constitute a security agreement granting to us a security interest in the above-mentioned collateral, and you must execute any and all financing statements required by us to perfect our security interest in the collateral.

18.4. Return of Brand Standards Manual and Other Confidential Information. You must, within ten (10) days of the termination, deliver to us the Brand Standards Manual and all Confidential Information, Intellectual Property, records, files, computer programs, software, Customer Information, records, files, instructions, correspondence, and any and all other materials relating to the operation of your Cleaning, Sealing and Staining Business that were provided to you, or held by a third party on your behalf, and all copies of it (all of which you acknowledge is our property). You will retain no copy or record of any of the items listed in this Section 18.4, with the exception only of your copy of this Agreement, correspondence between the parties and any other documents which you reasonably need to comply with law.

18.5. Our Right to Purchase Tangible Assets. We have the option to purchase your interest in any or all of your Cleaning, Sealing and Staining Business' Vehicles, inventory, equipment, supplies, advertising materials and signs for a purchase price equal to the lesser of your cost or then-current fair market value, to be determined by a qualified independent third party of our choosing and that we pay for, and we may set off against the purchase price any amounts that you owe us. We will exercise our option by delivering written notice before or within thirty (30) days after this Agreement expires or is terminated.

18.6. Liquidated Damages. If an early termination of this Agreement occurs (which will mean any termination of the Agreement before the end of the Term, other than due to a mutually agreed termination, your valid termination under Section 17.7, or your valid and approved Transfer of the Agreement), you will, within fifteen (15) days of such early termination, pay to us liquidated damages ("**Liquidated Damages**"). You agree that the Liquidated Damages are not a penalty, and that it would be impracticable or extremely difficult for us to calculate the actual amount you would have been obligated to pay us as Royalty Fees and Brand Fund Fees through the end of the Term. As a result, the parties agree that the following method of calculation represents a fair and reasonable estimate of our damages. Liquidated Damages will be equal to the combined monthly average of Royalty Fees and Brand Fund Fees (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the Commencement Date through the date of early termination, multiplied by the lesser of: (i) twenty-four (24), or (ii) the number of full months remaining in the Term.

18.7. Use of Customer Information and Other Information. We have the right, during and after the Term, to access and use: (i) all information you provide to us contained in your sales and transaction reports, through the Computer System, and in such other operational reports that we request from you; (ii) Customer Information; and (iii) the contact information of you or your Owners. We may use this information for business purposes that may include, without limitation, public relations, advertising, statistical compilations, investigations and resolutions of client complaints, and quality surveys. We have the right, after termination, to continue to use the information referred to in this Section 18.7. After termination or expiration of the Agreement, we will have the exclusive right to use Customer Information, and to make the Customer Information available to other Cleaning, Sealing and Staining Businesses for such purposes as we deem appropriate.

18.8. Comply with Covenants. You must comply with each and every one of your covenants and obligations that apply after the termination, expiration, or Transfer of this Agreement per Article 16.

18.9. Termination Without Prejudice. The expiration or termination of this Agreement will not relieve you of any of your obligations to us existing at the time of expiration or termination, nor will it terminate those of your obligations which, by their nature, survive the expiration or termination of this Agreement. The expiration or termination of this Agreement will be without prejudice to our rights against you; and in the event of a termination which is the result of your material breach or default under this Agreement, we will, in addition to our rights set forth above, also be entitled to all other rights and remedies that are available to us at law or in equity.

19. GOVERNING LAW; DISPUTE RESOLUTION

19.1. Governing Law. This Agreement is governed by and will be interpreted in accordance with the laws of the State of Nevada, without reference to conflict of laws principles. By agreeing to the application of Nevada law, the parties do not intend to make this Agreement or their relationship subject to any franchise, dealership, distributorship, business opportunity, or other statute, rule, or regulation of the State of Nevada to which this Agreement or the parties' relationship would not otherwise be subject. We and you each acknowledge and agree that this choice of applicable state law provides you and us with the mutual benefit of uniform interpretation of this Agreement. You expressly waive any rights or protections you have or may have under any statute or law of any other state to the fullest extent permitted by law. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations.

19.2. Mandatory Mediation. Except as provided in Section 19.4, if any Dispute cannot be settled through direct discussions, the parties agree to submit the Dispute to mediation before resorting to arbitration. Mediation will be administered by the American Arbitration Association ("**AAA**") under its then-current Commercial Mediation Procedures ("**Mediation Procedures**") and before a mediator selected under them. Mediation will not defer or suspend our exercise of any termination right under Article 17. All aspects of the mediation process will be treated as confidential, will not be disclosed to others, and must not be offered or admissible in any other proceeding or legal action whatsoever.

19.2.1. Deadline for Mediation. The party requesting mediation must provide written notice of the request for mediation to the other party in the manner prescribed in the Mediation Procedures. The request must specify with reasonable particularity the matters for which mediation is sought. Mediation must be concluded within thirty (30) days of the issuance of the written request for mediation, or such longer period as the parties may agree upon in writing.

19.2.2. Location. The mediation must be held in Las Vegas, Nevada or at the AAA office closest to our then-current headquarters if we are no longer headquartered in Las Vegas, Nevada.

19.2.3. Cost of Mediation and Consequences of Failure to Comply. The parties will equally share the cost of the mediation, including administrative costs and mediator fees. Should a party refuse to pay its share of the costs and fees in advance of mediation, that party will be in default of this agreement, and the Dispute will proceed directly to arbitration without mediation. Any costs or fees, including attorney fees, incurred by the non-defaulting party in pursuing mediation may be sought as damages in arbitration.

19.3. Arbitration. Except as specifically provided in this Agreement, any Dispute that is not resolved through mediation must be settled by binding arbitration administered by the American Arbitration Association in accordance with its then-current Commercial Arbitration Rules ("**Commercial Rules**"). Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction over the parties.

19.3.1. Governed by Federal Arbitration Act. The parties acknowledge that this Agreement evidences a transaction involving interstate commerce, and that any arbitration conducted under this Agreement will be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16). The parties intend and agree that any state laws attempting to prohibit arbitration or void out-of-state forums for arbitration are preempted by the Federal Arbitration Act, and that arbitration must be conducted as provided in this Section 19.3.

19.3.2. Appointment of Arbitrator. The Dispute will be heard by a single arbitrator, chosen in accordance with the Commercial Rules. The arbitrator, and not any court, will have the sole authority to decide the Dispute, as well as to determine arbitrability of any Dispute.

19.3.3. Qualifications of the Arbitrator. At the option of either party, the arbitrator must be selected from a list of retired federal or state judges supplied by AAA, if available, who have substantive experience in franchise law.

19.3.4. Claims Barred. In connection with any arbitration proceeding, each party must submit any Dispute or claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) in the arbitration. Any such claim which is not submitted or filed as described above will be forever barred.

19.3.5. Payment of Fees and Costs. The parties will equally bear all administrative costs and arbitrator fees in accordance with the Commercial Rules. The parties agree that failure or refusal of a party to pay its required share of the deposits for arbitrator compensation or administrative charges will constitute a waiver by that party to present any evidence or cross-examine witnesses in the arbitration. In such event, the other party will be required to present evidence and legal argument as the arbitrator may require for the making of an award. Such waiver will not allow for a default judgment or award against the non-paying party in the absence of evidence presented as provided for above.

19.3.6. Mandatory Exchange of Information. In all matters, regardless of the Amount In Controversy, the parties must exchange the following information within 20 days of the appointment of the arbitrator without further order form the arbitrator. The parties must exchange the name and, if known, the address and telephone number of each individual likely to have information regarding any matter not privileged which is relevant to the subject matter involved in the Dispute, regardless of whether it relates to the claim or defense of the party or that of the other party. The disclosure must include any witness anticipated for impeachment or rebuttal. The identifying party must identify the subject(s) on which the witness may provide testimony. The parties must also disclose and provide a copy of all documents, data compilations, and tangible things that are in the possession, custody, or control of the party regarding any matter not privileged which is relevant to the subject matter involved in the Dispute, regardless of whether it relates to the claim or defense of the party or that of the other party. The arbitrator may entertain a request to compel the exchange of information or documents not provided by a party in possession of them as required by this Section 19.3.6.

19.3.7. Discovery. The parties want to conduct discovery proportional to the Dispute. As a result, the discovery permitted will depend on the Amount In Controversy, as stated below.

> 19.3.7.1. If the Amount In Controversy is less than $500,000, each side may take three depositions. Neither side's depositions may consume more than a total of 18 hours. No party may make a speaking objection at a deposition, except to preserve privilege. The total period for the taking of depositions shall not exceed six weeks. No interrogatories or requests to admit may be propounded by either party.
>
> 19.3.7.2. If the Amount In Controversy exceeds $500,000, any and all discovery provided for in the then-current Federal Rules of Civil Procedure will be allowed.

19.3.8. Arbitration Submitted by Documents. If the Amount In Controversy is less than $150,000, there will be no discovery other than the mandatory exchange of information discussed in Section

19.3.6. Further, the Dispute shall be resolved by submission of documents rather than by an in-person hearing. The arbitrator has no discretion to allow an in-person hearing in such matters.

19.3.9. Challenge of Claimed Amount In Controversy. A party claiming that the Amount In Controversy exceeds one of the thresholds stated in Sections 19.3.7, 19.3.8 or 19.3.11 must include in its arbitration demand a summary of facts which supports the party's contentions. Upon challenge by the opposing party ("the opposing party") (which must be filed within 20 days of the appointment of the arbitrator):

19.3.9.1. Within 10 days of a challenge by the opposing party, the claiming party must provide a sworn affidavit or declaration containing detailed statements or contentions supporting its allegation that the claimed damages meet or exceed the claimed threshold.

19.3.9.2. Within 20 days of their appointment, the arbitrators must determine whether the party's claim that the Amount In Controversy meets or exceeds the claimed threshold is reasonably supportable by the claiming party's sworn contentions as well as other facts and evidence available. In making this determination, the arbitrators may demand documents or other information from the claiming party supporting its claimed Amount in Controversy.

19.3.10.Location. The arbitration must be held in Las Vegas, Nevada or at the AAA office closest to our then-current headquarters if we are no longer headquartered in Las Vegas, Nevada.

19.3.11. Time of Final Arbitration Hearing. The final arbitration hearing for any matter where the Amount In Controversy is less than $500,000 must be held no later than six (6) months from the date of the arbitration demand. For matters where the Amount In Controversy exceeds $500,000, the final arbitration hearing will be held at a date and time that is proportional to the claims. Except as otherwise noted in this Agreement, hearings will take place under the Commercial Rules.

19.3.12. Timing; Type of Award. The arbitrator must agree to comply with the schedule stated in Section 19.3.11 before accepting appointment. However, this time limit may be extended by the arbitrator for good cause shown, or by mutual agreement of the parties. The award of the arbitrator must be accompanied by a reasoned opinion. The arbitrator shall not declare any trademarks owned by us or our Affiliates generic or invalid.

19.3.13. Award of Fees and Costs. The arbitrator must award to the prevailing party, if any, as determined by the arbitrator(s), all of their costs and fees. "Costs and fees" mean all reasonable pre-award expenses of the arbitration, including arbitrator fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and attorney fees. "Prevailing party" is the party which has obtained the greatest net award in terms of money or money equivalent. If money or money equivalent has not been awarded, then the prevailing party will be that party which has prevailed on a majority of the material issues decided. The "net award" is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has prevailed over the other party using reasonable business and the arbitrator's judgment.

19.4. Injunctive Relief. You acknowledge that a breach of this Agreement by you, which relates to any of the matters set out below, will cause us irreparable harm for which monetary damages are an inadequate remedy. Therefore, in addition to any other remedies we have under this Agreement, we are entitled to seek and obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing

the provisions of this Agreement with respect to: (i) the Marks; (ii) the System; (iii) Intellectual Property; (iv) the obligations of you upon termination or expiration of this Agreement; (v) Transfers; (vi) Confidential Information; (vii) covenants not to compete with us; and (viii) any act or omission by you or your employees that: (a) constitutes a violation of any Legal Requirement; (b) is dishonest or misleading to customers of your Cleaning, Sealing and Staining Business; (c) constitutes a danger to your employees or to the public; or (d) may impair the goodwill associated with the Marks or the System. You are entitled to seek and obtain the entry of temporary and permanent injunctions to prevent our improper termination of this Agreement. The parties agree that such requests may be heard by the arbitrator or by a court, at the election of the party seeking the same. Neither party will be required to first mediate any claim for injunctive relief. Should a party elect to have its request heard by arbitrator, all such requests shall be heard in accordance with the then-current Commercial Rules. Neither party is required to post a bond or other security with respect to obtaining injunctive relief. If we secure any such injunction, you agree to pay to us an amount equal to the aggregate of our costs and expenses, including without limitation reasonable attorney fees, costs, and expenses, that we incur in obtaining such relief. You agree that your sole remedy, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held. You waive all claims for damages by reason of the wrongful issuance of any such injunction.

19.5. Waiver of Right to Jury Trial. Each party irrevocably waives its rights to trial by jury regarding any Dispute or proceeding arising out of this Agreement or transactions relating to its subject matter.

Your Initials:_____ Our Initials:_____

19.6. Waiver of Right to Bring Class, Group, or Collective Action. Arbitration or litigation of any Dispute must proceed solely on an individual basis. The parties expressly and irrevocably waive the right for any Dispute to be arbitrated or litigated on a class action basis, or on bases involving Disputes arbitrated or litigated in a purported representative capacity on behalf of others. The authority of a court or arbitrator to resolve Disputes and make written awards or judgments is limited to Disputes between you and us alone. Disputes will not be joined or consolidated with any other Dispute(s) unless agreed to in writing by all parties. No arbitration award or court decision will have any preclusive effect as to issues or claims in any Dispute with any person or entity not a named party to the arbitration. No previous course of dealing will be admissible to explain, modify, or contradict the terms of this Agreement.

Your Initials:_____ Our Initials:_____

19.7. Waiver of Claim for Punitive Damages. To the extent permitted by applicable law, neither of the parties may assert, and each party waives, any claim against the other party (including their respective Affiliates, partners, stockholders, members, officers, directors, agents, employees and controlling persons), on any theory of liability for special, indirect, consequential, or punitive damages (as opposed to direct or actual damages) for any Dispute. The parties further agree that in the event of a Dispute, each of the parties will be limited to the recovery of any: (a) actual damages sustained by it; (b) Liquidated Damages as provided in Section 18.6; and (c) statutory trademark law treble damages. If such claims for punitive damages cannot be waived by law, then the parties agree that any recovery will not exceed two (2) times actual damages.

Your Initials:_____ Our Initials:_____

19.8. Legal Fees and Expenses. If either party initiates a judicial or other proceeding, the Prevailing Party in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable attorney fees. "Costs and expenses" mean all reasonable pre-award expenses of the arbitration, including arbitrator fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation

expenses, and attorney fees. The **"Prevailing Party"** is the party which has obtained the greatest net award in terms of money or money equivalent. If money or money equivalent has not been awarded, then the prevailing party will be that party which has prevailed on a majority of the material issues decided.

19.9. Choice of Forum. To the extent that a judicial action is expressly permitted by the Agreement, the parties agree that any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in a court of competent jurisdiction in Las Vegas, Nevada, or, if our principal place of business is in a city other than Las Vegas, Nevada, then the federal or state court for the jurisdiction in which we then have our principal place of business. **Both parties irrevocably submit themselves to, and consent to, the exclusive jurisdiction of said courts. This Section 19.9 will survive the termination of this Agreement. You acknowledge that you are aware of the business purposes and needs underlying the language of this Section 19.9.**

20. GENERAL PROVISIONS.

20.1. Severability. All provisions of this Agreement are severable. If pursuant to the decision of any court having jurisdiction, any provisions are not enforceable in whole or in part, the remainder of this Agreement will continue to be in full force and effect, and the affected provisions will be superseded and modified by such applicable law.

20.2. Approvals. Whenever this Agreement requires our prior approval or consent before you take any action, you must make a timely written request to us, and our approval or consent must be obtained in writing. We will not unreasonably withhold or unreasonably delay our response. By providing any waiver, approval, consent, or suggestion to you or in connection with any consent, or by reason of any neglect, delay, or denial of any request, we make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you.

20.3. No Modifications; Waivers. No waiver or modification of this Agreement or of any covenant, condition, or limitation will be valid unless it is made in writing and duly executed by the party to be charged with it. No evidence of any waiver or modification may be offered or received in evidence in any proceeding between the parties arising out of or affecting this Agreement, or the rights or obligations of any party, unless such waiver or modification is in writing, duly executed. Our waiver of your breach of any term of this Agreement applies only to that one breach and that one term, and not to any subsequent breach of any term. Acceptance by us of any payments due under this Agreement will not be deemed to be a waiver by us of any preceding breach by you of any term.

20.4. Force Majeure. Except for monetary obligations under, or as otherwise specifically provided for in, this Agreement, if either party to this Agreement is delayed or hindered in or prevented from the performance of any act required under this Agreement by Force Majeure, then performance of such act is excused for the period of the delay, but no such delay will exceed ninety (90) days. If your Cleaning, Sealing and Staining Business cannot operate due to a Force Majeure event, you must initiate within thirty (30) days (and continue until completion) all repairs, reconstruction or other action required to allow your Cleaning, Sealing and Staining Business to operate as it did before the Force Majeure event.

20.5. Rights are Cumulative. Our and your rights under this Agreement are cumulative, and no exercise or enforcement by us or you of any right or remedy will preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce, except as specifically limited by this Agreement.

20.6. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms have the meanings ascribed to them in the **Appendix** or as defined in this Agreement. All captions in

this Agreement are intended for the convenience of the parties, and none will be deemed to affect the meaning or construction of any provision of this Agreement. Wherever the word "including" is used, it means "including but not limited to."

20.7. Persons Bound. This Agreement is binding on the parties, their respective successors, and assigns.

20.8. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement is permitted to be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement that are not defined must be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two (2) or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision must be given the meaning that renders it enforceable.

20.9. Notices. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties will be deemed so delivered: at the time delivered, if by hand; one (1) business day after transmission, if by overnight delivery service; one (1) business day after transmission, if by facsimile or other electronic system expressly approved in the Brand Standards Manual as appropriate for delivery of notices under this Agreement (with confirmation copy sent by regular U.S. mail); or three (3) business days after placement in the United States Mail by Certified Mail, Return Receipt Requested, postage prepaid. Information for notices is as follows, and you will immediately notify us of any changes to the following contact information:

If to us:	If to you:
Perma Treat, Inc. P.O. Box 90192 Henderson, NV 89009	The address listed in **Addendum 1**

20.10. Execution/Counterparts. Two (2) copies of this Agreement may be signed, each of which, when signed, is an original, and which, together, constitute one and the same instrument. This Agreement may be executed in two (2) or more counterparts, each of which constitutes an original, and all of which, when taken together, constitutes one Agreement.

20.11. Survival. All provisions, including the understandings, representations and warranties, which, as a matter of logic or otherwise, need to continue in force and effect subsequent to and notwithstanding the expiration or termination of this Agreement in order to achieve an intended result, will continue in full force and effect despite the absence of such specific language with respect to each of them.

20.12. Third Party Beneficiaries. This Agreement is not for the benefit of any third parties and is only for the benefit of you, us, and to the extent applicable, our Affiliate(s).

20.13 Entire Agreement. This Agreement, the Addenda attached to it, and any other agreements executed by you and us concurrently with our execution of this Agreement represent the entire fully integrated agreement between you and us, and supersede all other negotiations, agreements, representations, and covenants, oral or written. Notwithstanding the foregoing, nothing in this Agreement will disclaim or require you to waive reliance on any representation that we made in the Franchise Disclosure Document (including its exhibits and amendments) that we delivered to you in connection with this franchise offering. Except for those changes permitted to be made unilaterally by us, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to in writing by you and us, and executed by your and our authorized officers or agents.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date Perma Treat signs the Agreement in its signature block below (the "**Effective Date**").

PERMA TREAT, INC.	**FRANCHISEE:**_____
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

ACKNOWLEDGMENT REGARDING MANDATORY ARBITRATION

Nevada Revised Statute 597.995 requires specific authorization and an affirmative agreement to have disputes between the parties heard by arbitration. By signing below, I acknowledge that I (or the entity on whose behalf I sign) have read the mandatory arbitration provision in the Agreement and its related clauses (Sections 19.3 through 19.7). I affirmatively agree to submit to arbitration disputes arising between the parties to this Agreement in accordance with Sections 19.3 through 19.7.

FRANCHISEE:_____

By: _____

Print Name: _____

Its: _____

Date: _____

APPENDIX

GLOSSARY OF TERMS

AAA: The American Arbitration Association.

Affiliate: A person or Business Entity which is united, attached, connected, or allied with, or is controlling or under common control with a party.

Agreement: This Franchise Agreement and any of its amendments.

Amount In Controversy: The total monetary amount of claims between the parties, including any counterclaims, but not including interest, attorney fees and arbitration costs.

Anti-Terrorism Laws: Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the 15.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the 15.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the 15.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies lists and any other requirements of any Governmental Authority (including without limitation, the United States Department of Treasury Protected Territory of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

Approved Suppliers: The various companies that we and / or our Affiliates have authorized to sell products or services to you (including Authorized Products or Services), or are contracted to do business with us and / or our Affiliates, and which may provide products to you through us and / or our Affiliates. We or our Affiliate(s) may also be an Approved Supplier.

Authorized Products: The specific products and items that are specified by us from time to time in the Brand Standards Manual, or as otherwise directed by us in writing, for sale at your Cleaning, Sealing and Staining Business, prepared, sold and/or manufactured in strict accordance with our standards and specifications.

Authorized Services: The specific services that are specified by us from time to time in the Brand Standards Manual, or as otherwise directed by us in writing, for sale at your Cleaning, Sealing and Staining Business, rendered or provided in strict accordance with our standards and specifications.

Brand Fund: The Brand Fund is funded with the contributions that we receive from Cleaning, Sealing and Staining Business in accordance with Articles 6 and 8.

Brand Fund Fee: Defined in Section 6.3.

Brand Standards Manual: The primary source of information regarding the System and the construction and operation of Cleaning, Sealing and Staining Businesses, which includes our operations and training manuals, and any other written directives related to the System, as they may be amended and revised by us from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by us and given to you in any format.

Business Entity: A corporation, a general or limited partnership or a limited liability company.

Business Office: An office, which may be a home office, that serves as the business office for your Cleaning, Sealing and Staining Business, which is listed on **Addendum 1**.

Call Center Fee: Defined in Section 6.4.

Capital Modifications: Defined in Section 9.10.1.

Cleaning, Sealing and Staining Business: A business offering various treatment and cleaning options for surfaces operated under the Marks by you, by us, by our Affiliates, or by a third party under a franchise or license agreement with us, the terms of which may vary materially from those in this Agreement.

Commencement Date: Defined in Section 5.1.

Commencement Deadline: Defined in Section 3.6.

Commercial Rules: Defined in Section 19.3.

Competitive Business: Any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by Cleaning, Sealing and Staining Businesses (including but not limited to the Authorized Products); or (ii) provides or offers to provide services the same as or similar to the type of services sold by Cleaning, Sealing and Staining Businesses (including but not limited to the Authorized Services); other than a Cleaning, Sealing and Staining Business operated under a franchise agreement with us.

Computer System: Defined in Section 11.1.

Confidential Information: Our confidential and/or proprietary information including without limitation: the Authorized Products; the means and methods used in performing Authorized Services; sales and marketing methods and data; information regarding the System; operating and other business data; computer programs; trade secrets; the Intellectual Property; business plans; advertising and promotional methods; financial information and data; product information; information regarding current or prospective customers, other franchisees, agencies, Approved Suppliers, and other related information; the economic and financial characteristics of the System, the Cleaning, Sealing and Staining Business, and other franchisees; capital and debt structures; Customer Information; and the Brand Standards Manual. Confidential Information will not include information which was known to you and in actual commercial use by you or generally within the industry, in the manner and combination disclosed: (a) at or prior to the time you received it; or (b) at or prior to the Effective Date, whichever occurred first.

Credit Card Vendors: Defined in Section 9.14.

Customer Information: Defined in Section 11.2.

Dispute: Any and all disagreements, controversies, or claims of any sort between you and us or our Affiliates arising out of, or in any way relating to, this Agreement, any of the parties' respective rights and obligations arising out of this Agreement, or the making, performance, breach, interpretation, or termination of this Agreement, including any claims based in tort.

Effective Date: The date we sign the Agreement, as indicated in our signature block.

EFT: Defined in Section 6.7.

Force Majeure: This includes war, riot, strikes, materials shortages, fires, floods, earthquakes, and other acts of God, or governmental action or force of law, but excluding a shortage of funds, which results in your or our inability to build, equip, or operate your Cleaning, Sealing and Staining Business or otherwise perform an obligation under this Agreement, and which the party responsible for performance could not by the exercise of due diligence have avoided.

General Manager: Defined in Section 9.1.

Grand Opening Advertising: Defined in Section 8.2.

Gross Sales: All consideration, whether by cash, credit, in kind, checks, gift certificates, scrip, coupons, services, property or other means of exchange, or otherwise, derived directly or indirectly from the operation of your Cleaning, Sealing and Staining Business, including the credit value given for all merchandise trades, the full retail value of any gift certificate or coupon sold for use at your Cleaning, Sealing and Staining Business (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from Gross Sales), and insurance proceeds and/or condemnation awards for loss of sales, profits or business; provided, however, that "Gross Sales" does not include:

(i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and, in fact, paid by you to the appropriate governmental authority; or

(ii) valid discounts, or the value of any complimentary products, up to a maximum of ten percent (10%) of your Gross Sales in the aggregate.

Gross Sales are deemed received by you at the time the products or services from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by you. Gross Sales consisting of property, products or services will be valued at the retail prices applicable and in effect at the time that they are received. Any amounts deposited in your Cleaning, Sealing and Staining Business' bank accounts are deemed Gross Sales unless proven otherwise.

Improvement(s): Defined in Section 9.19.

Indemnified Parties: Defined in Section 14.1.

Initial Franchise Fee: Defined in Section 6.1.

Initial Training Program: Defined in Section 10.1.

Intellectual Property: Inventions, discoveries, know-how, show-how, processes, methods, unique materials, copyrightable works, original data and other creative or artistic works that have value. Intellectual Property includes that which is protectable by statute or legislation, such as proprietary products, methods, procedures, patents, copyrights, trademarks, service marks and trade secrets, as well as the physical embodiments of intellectual effort, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, biological materials, chemicals, other compositions of matters, and records of research.

Interim Period: Defined in Section 5.3.

Legal Requirements: Any law, code, ordinance, order, rule or regulation (including Anti-Terrorism Laws), of any governmental entity, and any political or other subdivision of any governmental entity, and any agency, department, commission, board, bureau, court or instrumentality of any of them, which, at any time, has competent jurisdiction over you, us, or any part of your Cleaning, Sealing and Staining Business.

Liquidated Damages: Defined in Section 18.6.

Local Advertising Requirement: Defined in Section 8.2.

Marks: Certain trade names, service marks, trademarks, logos, emblems, Trade Dress and other indicia of origin, including but not limited to the mark "Perma Treat®" and such other trade names, service marks, trademarks, copyrights, insignia, emblems, slogans, logos, commercial symbols, signs, trade dress (including designs and specifications and the motif, decor, and color combinations for a Cleaning, Sealing and Staining Business), and all other visual identification, as are now designated, and may hereafter be designated by us, for use in connection with the System.

Mediation Procedures: Defined in Section 19.2.

National Accounts: means any (i) potential or existing commercial customer that has multiple sites, offices, or retail premises located within and outside of the Protected Territory; (ii) government agencies, branches or facilities (including the military); and (iii) any other customer whose presence is not confined to the Protected Territory.

Owner: Any person who owns any stock, units, membership, partnership or other ownership interest in you, directly or indirectly.

Payment Date: The day on which you must pay us our applicable fees for the previous Reporting Period, which day we may designate from time to time. As of the Effective Date, the Payment Date for Royalty, Brand Fund and Warranty Fund Fees is the 5th of each month. The Payment Date for the Call Center is the 1st of each month, paid in advance. If the Payment Date falls on a weekend or holiday, then it will be the next business day after that day. You must comply with a new Payment Date within 14 days after receiving written notice that the Payment Date has changed.

Prevailing Party: Defined in Section 19.8.

Protected Territory: The geographic area in which we grant to you the limited right of exclusivity as described in Article 4. Your Protected Territory will consist of the area identified on **Addendum 1**.

Reporting Period: A calendar month, or such other time period as we may designate from time to time in writing.

Royalty Fee: A fee paid by you to us at the times designated by us in the Brand Standards Manual, in accordance with Article 6.

Successor Franchise Agreement: Defined in Section 5.2.2.

Supplements: Defined in Section 9.10.

System: A uniform system for the establishment and operation of Cleaning, Sealing and Staining Businesses, including uniform standards, specifications, and procedures for operations along with related computer software programs; procedures for quality control; Trade Dress; the Marks, management programs, accounting methods, training and ongoing operational assistance; advertising and promotional techniques; personnel training; trade secrets; methods of marketing; proprietary products and services, including, but not limited to, unique means and methods for treating surfaces in commercial and residential settings; and other related benefits relating to the operation and promotion of a Cleaning, Sealing and Staining Business, all of which we may change, improve, and further developed from time to time.

Term: Defined in Section 5.1.

Trade Dress: The decorative, non-functional components utilized in the Cleaning, Sealing and Staining Business that provide a distinctive, memorable appearance.

Transfer: Defined in Section 15.2.

Unassigned Territory: Defined in Section 4.2

Vehicle(s): Defined in Section 3.2.

Warranty Fund Fee: Defined in Section 6.6.

Warranty Fund: The Warranty Fund is funded with the contributions that we receive from Cleaning, Sealing and Staining Business in accordance with Articles 6 and 9.

Warranty Obligation: Defined in Section 9.20.

We, us, or our: Defined in the Recitals to the Agreement.

You or your: Defined in the Recitals to the Agreement.

ADDENDUM 1

INFORMATION CONCERNING FRANCHISEE AND THE FRANCHISED BUSINESS

A. IDENTITY AND STRUCTURE OF FRANCHISEE

Franchisee's Name: _____

Entity type and jurisdiction of formation: _____

Date of entity formation: _____

Provide name and address of each Owner who owns a percentage of the legal entity, and show what percentage of stock, partnership interest, or membership interest is owned by each.

_____

_____

_____

Address for Notices: _____

_____

Attention: _____

Email Address: _____

General Manager's Name (Section 9.1): _____

B. YOUR BUSINESS OFFICE, STORAGE FACILITY, AND PROTECTED TERRITORY (Sections 3.1, 3.4 and 4.1) We and you have mutually agreed upon a Protected Territory for your Cleaning, Sealing and Staining Business, which is indicated below. You acknowledge that the Protected Territory is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.

1. Business Office for your Cleaning, Sealing and Staining Business: The address of the Business Office for your Cleaning, Sealing and Staining Business, as provided in Section 3.1 of the Agreement, is:

_____

_____

2. Storage Facility for your Cleaning, Sealing and Staining Business: The address of the Storage facility for your Cleaning, Sealing and Staining Business, as provided in Section 3.4 of the Agreement, is:

_____

_____

3. Protected Territory: The Protected Territory, as provided in Section 4.1 of the Agreement, is described as follows, and contained in the map attached hereto:

_____

_____

_____

By signing below, you acknowledge that the information above is true and correct. Use additional sheets if necessary. Any and all changes to the above information must be reported to us in writing.

PERMA TREAT, INC.	FRANCHISEE
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

ADDENDUM 2
FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this "**Agreement**") is entered into by: (i) each of the undersigned Owners of Franchisee (defined below); and (ii) the spouse of each such Owner, in favor of Perma Treat, Inc., and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as "you."

1. **Acknowledgments.**

a. Franchise Agreement; Franchisee. The term "**Franchisee**," as used in this Agreement, is the party that entered, or is entering, into a franchise agreement, effective as of _____, 20__ ("**Franchise Agreement**"). Capitalized words not defined in this Agreement will have the same meanings given to them in the Franchise Agreement.

b. Owners' Role. Owners are the beneficial Owners of all of the equity interest in Franchisee. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's Owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Agreement.

c. Your Access to Our Confidential Information. In your capacity as an Owner of Franchisee, or the spouse of an Owner of Franchisee, you may gain knowledge of our System, Confidential Information, and Intellectual Property (collectively, the "**Know-how**"). You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In addition, you understand that certain terms of the Franchise Agreement apply to "Owners" and not just Franchisee. You agree to comply with the terms of this Agreement in order to: (i) avoid damaging our System by engaging in unfair competition; and (ii) bind yourself to the terms of the Franchise Agreement applicable to Owners.

2. **System Protection Covenants**. In light of your above acknowledgements, you covenant and agree to the following:

a. Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than operating the Perma Treat® Cleaning, Sealing and Staining Business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you or your spouse are no longer an Owner of Franchisee, as applicable. You further agree that you will not use the Know-how for any purpose other than the development and operation of Franchisee's Perma Treat® Cleaning, Sealing and Staining Business under the terms of the Franchise Agreement and Brand Standards Manual. You agree to assign to us or our designee, without charge, all rights to any Improvements developed by you, including the right to grant sublicenses. If any Legal Requirement precludes you from assigning ownership of any Improvement to us, then you covenant, promise and agree that you will perpetually license that Improvement to us free of charge, with full rights to use, commercialize, and sublicense the Improvement.

b. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an Owner of Franchisee, or while your spouse is an Owner of Franchisee, as applicable, by engaging in any of the following (collectively, the "**Prohibited Activities**"): (i) owning, operating or having

any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our Affiliates or franchisees); and/or (iii) inducing (a) any of our employees or managers (or those of our Affiliates or franchisees) to leave their position or (b) any customer of ours (or of one of our Affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

c. Unfair Competition After Relationship. You agree that, for a period of three (3) years after the termination of the Franchise Agreement or any successor to it (the "**Restricted Period**") not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within: (a) one-hundred (100) miles of the Franchisee's Protected Territory; or (b) a one-hundred (100) mile radius of any other Cleaning, Sealing and Staining Business that is then open or set to open (the "**Restricted Territory**"). If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

d. Immediate Family Members. You acknowledge that your disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or grandchild) could potentially circumvent the purpose of this Agreement. You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

e. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE. Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of the system protection covenants in Section 2 of this Agreement upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under Section 2 of this Agreement to ensure that the terms and covenants are enforceable under applicable law.

f. Breach. You agree that failure to comply with the covenants in this Section 3 will cause substantial and irreparable damage to us and/or other Perma Treat® franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. None of the remedies available to us under this Section are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

3. Transfer Restrictions. If you are an Owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect Ownership interest in Franchisee. Accordingly, you agree that you will not, directly or indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect

Ownership interest in Franchisee except in accordance with the terms and conditions set forth in Article 15 of the Franchise Agreement. You acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Agreement and the Franchise Agreement.

4. Personal Guarantee. In order to secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an Affiliate of ours and any promissory note related to payments owed to us (collectively, the "**Secured Agreements**"), you agree to personally guarantee all of Franchisee's financial obligations under the Secured Agreements.

a. Payment. Each of you, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee will punctually fulfill all of its payment and other financial obligations under the Secured Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements.

b. Waiver of Notice. You waive: (1) acceptance and notice of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness guaranteed; (3) protest and notice of default to any party with respect to the indebtedness guaranteed; (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

c. Liability is Joint and Several. You agree that: (1) your direct and immediate liability under this guarantee will be joint and several with Franchisee and all other persons who sign this Agreement; (2) you will render any payment required under the Secured Agreements upon demand if Franchisee fails or refuses punctually to do so; (3) your liability will not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (4) liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this guarantee, which will be continuing and irrevocable during the term of each of the Secured Agreements and following the termination, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured Agreements survive such termination, expiration or transfer. You agree to allow us to obtain credit bureau information for you at any time, but not more often than once per year.

d. Bankruptcy Filing. This guarantee will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement will be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

e. Indemnification. You agree to indemnify, defend and hold harmless us, all of our Affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

f. No Exhaustion of Remedies. You acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

g. Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations that exist under this Agreement or the Franchise Agreement at the time of death; and the obligations of any other Owners will continue in full force and effect.

5. Dispute Resolution. Any dispute between the parties relating to this Agreement must be brought in accordance with the dispute resolution procedures stated in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures stated in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement will prevail. You acknowledge and agree that a breach of this Agreement by you will constitute a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with its terms.

6. Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce your obligations under this Agreement. You acknowledge and agree that there is no adequate remedy at law for your failure to fully comply with the requirements of this Agreement. You further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper.

7. Miscellaneous.

a. Attorney Fees. If either party hires an attorney or files suit against the other party relating to an alleged breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

b. Defenses. Any claim, defense or cause of action that you may have against us, our Affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

c. Severability. Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it will not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

d. Notice. You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery will be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice must be delivered in the manner and to the address listed in the Franchise Agreement.

e. No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns and our Affiliates) any rights or remedies under or by reason of this Agreement.

f. Construction. No provision of this Agreement will be interpreted in favor of or against either party merely because of that party's role in the preparation of this Agreement, or because of the nature or type of this Agreement. All references to gender and number will be construed to include such other gender and number as the context may require. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement.

g. Binding Effect. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

IN WITNESS WHEREOF, each of **Owner** or **spouse of an Owner** has executed this Agreement as of the date or dates set forth below.

(Add additional pages and signature lines, if necessary for each Owner or spouse of an Owner)

By: _____ Address: _____

_____

Name: _____ Telephone: _____

By: _____ Address: _____

_____

Name: _____ Telephone: _____

By: _____ Address: _____

_____

Name: _____ Telephone: _____

By: _____ Address: _____

_____

Name: _____ Telephone: _____

By: _____ Address: _____

_____

Name: _____ Telephone: _____

ADDENDUM 3
Electronic Funds Transfer Authorization

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

BY AND BETWEEN PERMA TREAT, INC.
AND _____ ("DEPOSITOR")
EFT AUTHORIZATION AGREEMENT (DIRECT DEBITS)

The undersigned depositor ("Depositor") hereby authorizes Perma Treat, Inc. ("Company") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("Depository") to debit such account pursuant to Company's instructions:

_____ _____
Depository Branch

_____ _____
Address City, State, Zip Code

_____ _____
Bank Transit/ABA Number Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor's account, Depositor will have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor will have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

DEPOSITOR:

By: _____

Print Name: _____

Its: _____

Date: _____

ADDENDUM 4
FRANCHISE RELATIONSHIP ACKNOWLEDGEMENT

Welcome to the Perma Treat® team. Because you are becoming a part of the Perma Treat® franchise system, it is important that you understand and acknowledge who is your employer, and who is not.

You have been hired by _____ (Legal Name of Franchisee) ("Franchisee"), which is an independent franchise owner in the Perma Treat® franchise system (which we call the "System"). Although Franchisee looks the same, has the same name, and is operated the same way as other Perma Treat® businesses in the System, Franchisee is not part of the same company as those other Perma Treat® businesses in the System. Perma Treat, Inc. is a completely separate company that owns the name and created the System. Perma Treat, Inc. has devised rules, systems of operation, and policies and procedures that all of its franchisees must follow, including Franchisee, which make each of the independent franchise Perma Treat® businesses look and operate the same way as one another. This way, Perma Treat, Inc. manages a System composed of many different franchisee owners, each of whom is independently responsible for operating its own Perma Treat® business.

It is important that you understand that Franchisee is your **only** employer. Franchisee gives you your paycheck, establishes your hours, and is responsible for all decisions relating to your employment relationship. Perma Treat, Inc. is **not** your employer. If Perma Treat, Inc. representatives ever give you direction, training, or advice, it is intended only to ensure that the experience of all customers of Perma Treat® is the same at your place of work as it is at other Perma Treat® Business in the Perma Treat system. The fact that you are trained, or given direction or advice, by Perma Treat, Inc. representatives does not somehow mean that Perma Treat, Inc. is your employer.

If you have any questions about your employment relationship or about this Franchise Relationship Acknowledgement, please direct them to your employer, Franchisee.

I have read this Franchise Relationship Acknowledgement and I understand it. I have had the opportunity to ask any questions that I have about this Franchise Relationship Acknowledgement, and those questions have been answered fully to my satisfaction.

SIGNED,

_____

Print Name: _____

DATE: _____

Perma Treat, Inc.

EXHIBIT C

Financial Statements

PERMA TREAT, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
AND INDEPENDENT ACCOUNTANTS' AUDITORS' REPORT

PERMA TREAT, INC.

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CPAs & BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Perma Treat, Inc

We have audited the accompanying financial statements of Perma Treat, Inc (a Nevada S corporation), which comprise the balance sheet(s) as of December 31, 2018, and 2017, and the related statements of operations, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Perma Treat, Inc as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Cooper Norman

Twin Falls, Idaho
April 20, 2019

PERMA TREAT, INC.

BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

ASSETS	2018	2017
CURRENT ASSETS:		
Cash	$ 68,576	$ 6,592
Accounts receivable, net		
Trade receivables	2,037	5,157
Related party accounts receivable	4,524	17,847
Inventory	33,166	19,267
Current portion of long-term notes receivable	36,143	98,600
Total current assets	144,446	147,463
EQUIPMENT & FURNITURE	22,252	12,233
Less acccumulated depreciation	(2,043)	(681)
Equipment - net	20,209	11,552
LONG-TERM NOTES RECEIVABLE	407,456	499,365
OTHER ASSETS:		
Contract rights	500,000	824,592
Deposit	3,584	3,584
Total other assets	503,584	828,176
TOTAL	$ 1,075,695	1,486,556

LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 338,693	$ 251,439
Short-term notes payable	32,500	
Total current liabilities	371,193	251,439
LONG-TERM DEBT - RELATED PARTY	984,738	611,869
OTHER LIABILITY -		
Deferred gain on sale of franchises	353,248	500,000
EQUITY:		
Common stock, no par value, 2,500 shares authorized and 500 share issued and outstanding.	5,000	5,000
Retained earnings	(638,484)	118,249
Total equity	(633,484)	123,249
TOTAL	$ 1,075,695	$ 1,486,556

See Independent Auditors' Report
and Notes to Financial Statements.

PERMA TREAT, INC.

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	Percent of Revenues	2017	Percent of Revenues
REVENUES:				
Franchise royalites	$ 168,821	56.46%	$ 96,979	45.12%
Call center income	58,000	19.40%	53,000	24.66%
Other	72,168	24.14%	64,957	30.22%
Total revenues	298,989	100.00%	214,936	100.00%
COST OF REVENUES	52,099	17.43%	60,641	28.21%
GROSS PROFIT	246,890	82.57%	154,295	71.79%
OPERATING AND ADMINISTRATIVE EXPENSES:				
Professional fees	411,451	137.61%	43,975	20.46%
Salaries and wages	139,680	46.72%	59,960	27.90%
Advertising	53,853	18.01%	65,871	30.65%
Travel	29,236	9.78%	22,779	10.60%
Utilities	21,968	7.35%	26,111	12.15%
Insurance	20,119	6.73%	19,542	9.09%
Meals and entertainment	15,300	5.12%	14,664	6.82%
Office expense	14,595	4.88%	34,211	15.92%
Rent	14,239	4.76%	8,961	4.17%
Payroll taxes	13,335	4.46%	6,059	2.82%
Repairs and maintenance	11,708	3.92%	11,925	5.55%
Dues and subscriptions	8,265	2.76%	6,027	2.80%
Taxes and licenses	2,222	0.74%	1,402	0.65%
Postage and delivery	1,558	0.52%	1,397	0.65%
Depreciation	1,362	0.46%	598	0.28%
Bank charges	118	0.04%	147	0.07%
Total operating and administrative expenses	759,009	253.86%	323,629	150.57%
(LOSS) INCOME FROM OPERATIONS	(512,119)	-171.28%	(169,334)	-78.78%
OTHER INCOME (EXPENSE):				
Other income	61,977	20.73%		
Interest income	26,297	8.80%	23,040	10.72%
Interest expense	(40,404)	-13.51%	(12,786)	-5.95%
Loss on impairment of intangibles	(324,592)	-108.56%		
Total other income (expense)	(276,722)	-92.55%	10,254	4.77%
NET LOSS	$ (788,841)	-263.84%	$ (159,080)	-74.01%

See Independent Auditors' Report
and Notes to Financial Statements.

PERMA TREAT, INC.

STATEMENTS OF RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
RETAINED EARNINGS AT BEGINNING OF YEAR	$ 118,249	$ 264,413
NET LOSS	(788,841)	(159,080)
ADDITIONAL PAID IN CAPITAL	79,269	34,581
DISTRIBUTIONS TO STOCKHOLDERS	(47,161)	(21,665)
RETAINED EARNINGS AT END OF YEAR	$ (638,484)	$ 118,249

See Independent Auditors' Report
and Notes to Financial Statements.

PERMA TREAT INC

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
OPERATING ACTIVITIES:		
Cash received from customers	$ 194,977	$ 426,722
Cash paid to suppliers and employees	(653,949)	(427,005)
Net cash used in operating activities	(458,972)	(283)
INVESTING ACTIVITIES:		
Cash paid for furniture and equipment	(10,019)	(10,993)
Change in notes receivable	154,366	(131,321)
Cash paid for contract rights		(75,556)
Deposit		(3,584)
Net cash provided (used in) investing activities	144,347	(221,454)
FINANCING ACTIVITIES:		
Payments on long-term debt		(350,000)
Proceeds from long-term debt - related party	344,500	550,157
Additional paid in capital	79,269	34,581
Distributions to stockholders	(47,161)	(21,665)
Net cash provided by financing activities	376,608	213,073
NET INCREASE (DECREASE) IN CASH	61,983	(8,664)
CASH AT BEGINNING OF YEAR	6,592	15,256
CASH AT END OF YEAR	$ 68,576	$ 6,592

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (788,841)	$ (159,080)
Adjustments to reconcile net loss to net cash provided by operating activities -		
Depreciation	1,362	598
Changes in assets and liabilities, net of effects from non-cash investing and financing activities:		
Increase (decrease) in assets:		
Accounts receivable, net	16,443	(11,254)
Inventory	(13,899)	(19,267)
Contract rights and intangibles		
(Decrease) increase in liabilities:		
Accounts payable	87,254	(2,474)
Other current liabilities	32,500	(8,806)
Other liabilities	(146,752)	200,000
NET CASH USED IN OPERATING ACTIVITIES	$ (458,972)	$ (283)

-Continued-

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

2018

Capitalization of non-cash interest expense		
Interest Expense	28,369	
Note Payable - M Wheeler		28,369
Write-down of intangible asset		
Loss on Impairment of Intangibles	324,592	
Contract Rights and Intangibles		324,592

2017

Contract rights was purchased on account.		
Intangible Asset	249,036	
Accounts Payable		249,036

See Independent Auditors' Report
and Notes to Financial Statements.

PERMA TREAT, INC.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Perma Treat, Inc. (the Company) was incorporated in March 2015 and began operations in 2015. The outstanding stock is owned 100% by Terry Rennie. The Company operates as a franchisor.

Basis of Accounting

The Company uses the accrual method of accounting for financial reporting and the cash method for income tax purposes.

Estimates

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

Cash

The Company considers deposit accounts which are not subject to restrictions or penalties, and highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. At times, such investments may exceed the FDIC insurance limit of $250,000.

Accounts Receivable, Net

Accounts receivable consists of sales of product to the individual franchisees. The Company examines the age of the collectible and determines the collectability of each receivable based on number of days outstanding. When accounts are identified as potentially uncollectible, a reserve is recorded when appropriate. No reserve was recorded at year end December 31, 2018 and 2017.

Inventory

Inventory consists of sealing material. Inventory is stated at the lower of cost or market.

-Continued-

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenues

The company recognizes income from the sale of franchises as the Company's obligations are completed as outlined in the franchise agreement and all incentive time periods have expired. The Company offers an incentive program to new franchises that states if certain sales goals are met within a two year period, a portion of the sales price of the franchise can be refunded to the franchisee. The amount of income that will be recognized if the sales goals are not met is reported as an unrealized gain on the balance sheet.

Other income consists of the following:

Description	2018	2017
Sale of product	$ 30,990	$ 58,182
Shipping	6,028	6,775
PTI CO2 Income	35,150	
Total	**$ 72,168**	**$ 64,957**

Contract Rights

The contract rights were recorded at cost. In accordance with GAAP, the Company does not amortize indefinite-lived intangible assets. Management evaluates the remaining useful life of an intangible asset that is not being amortized each reporting period to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, it is amortized prospectively over its estimated remaining useful life.

For indefinite-lived intangible assets, the impairment test consists of a comparison of the fair value of an intangible asset with its carrying amount. Fair value is an estimate of the price a willing buyer would pay for the intangible asset and is generally estimated by discounting the expected future cash flows associated with the intangible asset. As of December 31, 2018, the Toma litigation was settled in Perma Treat's favor. Perma Treat received a settlement of $56,997. As a result, it was determined that the contract defense costs which included legal fees that were capitalized as of December 31, 2017 were impaired. The impairment resulted in the write-off of $324,592.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Taxes

No provision for income taxes has been made in the financial statements. The Company is taxed as a Subchapter "S" Corporation. Under Subchapter "S" of the Internal Revenue Code, the income, expenses, and credits of the corporation are passed through to the individual stockholders and taxed on their respective income tax returns. The Company is subject to the minimum state income tax on its normal activities. Under ASC 740-10, this is considered an income tax position subject to evaluation regarding the possibility of the position being overturned upon examination by a taxing authority. Management believes this position will not be overturned. No interest or penalties related to income taxes have been recognized in the statements of operations or statements of financial position. The Company uses a calendar year end for income tax reporting purposes, and tax years back to and including the tax year ended December 31, 2015 (the initial tax year) are subject to examination by major taxing jurisdictions.

Equipment

Equipment is stated at cost. Depreciation is provided using straight-line methods of depreciation over ten years.

Franchise Agreement

The franchise agreement grants the franchisee the right to operate a Perma Treat business in the stated geographic area. The franchisor has the obligation to provide training every year, a call center as described in the agreement, national advertising, pre-opening assistance that includes on-site training and assistance in acquiring the needed equipment, signs, fixtures, and any other assistance as outlined in the agreement.

The franchisee has the obligation to make its best effort to sell and promote the Perma Treat product, acquire liability insurance, promptly respond to referrals, purchase product from the Franchisor, maintain financial records and other obligations as outlined in the agreement.

Subsequent Events

The Company has evaluated all subsequent events through April 20, 2019, the date the financial statements were available to be issued.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers: Topic 606: Deferral of Effective Date*. This standard delays the effective date for non-public entities to fiscal years beginning after December 15, 2018, with early adoption permitted. The Company is evaluating the impact the pronouncement may have on the financial statements.

2. LONG-TERM NOTES RECEIVABLE

Long-term notes receivable consist of the following:

	2018	2017
Perma Treat - Puget Sound (Franchise)	$ 6,895	$ 73,329
Perma Treat - Puget Sound (Equipment)	513	
Perma Treat - Central Oregon (Franchise)	213,613	278,549
Perma Treat - Idaho (Franchise)		59,488
Perma Treat - Idaho (Equipment)	11,355	15,271
Perma Treat – Northern Utah (Franchise)	89,109	100,000
Perma Treat – Northern Utah (Equipment)		4,211
Perma Treat – Reno/Tahoe (Franchise)	62,114	67,117
Total long-term note receivable	443,599	597,965
Less current portion	(36,143)	(98,600)
Long -term portion	$ 407,456	$ 499,365

The notes receivable consist of franchise and product sales to franchisees. The company has implemented an incentive program for its franchisees. The franchisees that participate in the incentive program are eligible to receive a credit of the initial franchise fee if certain sale goals are met. If the franchisees achieve the goal, $50,000 will be credited towards the initial franchise fee purchase and related note receivable. During 2018, two franchisees met the qualifications and were awarded credits against their franchise fees totaling $100,000. The company has receivables that consist of product material that was sold to the franchisees.

Perma Treat drafted a new franchise agreement that was executed by all franchisees. Per the new agreement, franchisees that meet sales goal targets will receive a credit toward product purchases from Perma Treat rather than a reduction of their note receivable for the purchase of the franchise.

3. LONG-TERM DEBT – RELATED PARTY

Long-term debt consist of the following:

	2018	2017
The company has long-term debt with Hollyhock Trust a related party entity. The loan is a 5 year loan with interest only due annually at 5.0%.	$ 984,738	$ 611,869
Total long-term debt	$ 984,738	$ 611,869

No repayment of principal is expected to occur during 2019. Interest will continue to accrue and be capitalized to the loan balance.

4. PENDING LITIGATION

The Company, related entities and the shareholder have entered into litigation against a franchisee. The Company elected to terminate a franchisee relationship. At this time, it is too early in the proceedings to evaluate whether the Company will receive or payout any damages. Therefore, no receivable or liability has been recorded. However, subsequent to year-end the franchise was re-sold to another franchisee.

The Company, related entities and the shareholder have entered into litigation against an attorney who assisted Perma Treat in the Toma litigation. As of December 31, 2018, the litigation is ongoing and an outcome is not determinable. Therefore, no receivable or liability has been recorded.

PERMA TREAT, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
AND INDEPENDENT ACCOUNTANTS' AUDITORS' REPORT

PERMA TREAT, INC.

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INDEPENDENT AUDITORS' REPORT

Perma Treat, Inc

We have audited the accompanying financial statements of Perma Treat, Inc (a Nevada S-Corporation), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Perma Treat, Inc as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Cooper Norman

Twin Falls, Idaho
July 3, 2018

PERMA TREAT, INC.

BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

ASSETS	2017	2016
CURRENT ASSETS:		
Cash	$ 6,592	$ 15,256
Accounts receivable, net		
Trade receivables	5,157	11,750
Related party accounts receivable	17,847	
Inventory	19,267	
Current portion of long-term notes receivable	98,600	80,314
Total current assets	147,463	107,320
EQUIPMENT & FURNITURE	12,233	1,240
Less acccumulated depreciatoin	(681)	(83)
Equipment - net	11,552	1,157
LONG-TERM NOTES RECEIVABLE	499,365	386,330
OTHER ASSETS:		
Contract rights	824,592	500,000
Deposit	3,584	
Total other assets	828,176	500,000
TOTAL	$ 1,486,556	994,807

LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 251,439	$ 4,877
Short-term notes payable		8,806
Total current liabilities	251,439	13,683
LONG-TERM DEBT	611,869	411,712
OTHER LIABILITY -		
Deferred gain on sale of franchises	500,000	300,000
EQUITY:		
Common stock, no par value, 2,500 shares authorized and 500 share issued and outstanding.	5,000	5,000
Retained earnings	118,249	264,413
Total equity	123,249	269,413
TOTAL	$ 1,486,556	$ 994,807

See Independent Auditors' Report
and Notes to Financial Statements.

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PERMA TREAT, INC.

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	Percent of Revenues	2016	Percent of Revenues
REVENUES:				
Franchise royalites	$ 96,979	45.12%	$ 23,915	13.16%
Call center income	53,000	24.66%	41,000	22.56%
Other	64,957	30.22%	116,823	64.28%
Total revenues	214,936	100.00%	181,738	100.00%
COST OF REVENUES	60,641	28.21%	40,407	22.23%
GROSS PROFIT	154,295	71.79%	141,331	77.77%
OPERATING AND ADMINISTRATIVE EXPENSES:				
Advertising	65,871	30.65%	2,964	1.63%
Salaries and wages	59,960	27.90%	15,982	8.79%
Professional fees	43,975	20.46%	50,248	27.65%
Office expense	34,211	15.92%	7,836	4.31%
Utilities	26,111	12.15%	6,712	3.69%
Travel	22,779	10.60%	5,236	2.88%
Insurance	19,542	9.09%	2,431	1.34%
Meals and entertainment	14,664	6.82%	11,369	6.26%
Repairs and maintenance	11,925	5.55%	10,283	5.66%
Rent	8,961	4.17%	800	0.44%
Payroll taxes	6,059	2.82%	1,689	0.93%
Dues and subscriptions	6,027	2.80%	598	0.33%
Taxes and licenses	1,402	0.65%	3,715	2.04%
Postage and delivery	1,397	0.65%	278	0.15%
Depreciation	598	0.28%	83	0.05%
Bank charges Amortization	147	0.07%	3,763	2.07%
Total operating and administrative expenses	323,629	150.57%	123,987	68.22%
(LOSS) INCOME FROM OPERATIONS	(169,334)	-78.78%	17,344	9.54%
OTHER INCOME (EXPENSE):				
Gain on sale of business			300,000	165.07%
Interest income	23,040	10.72%	7,514	4.13%
Gain on sale of equipment			17,847	9.82%
Investment loss			(11,507)	-6.33%
Interest expense	(12,786)	-5.95%		
Total other income (expense)	10,254	4.77%	313,854	172.70%
NET (LOSS) INCOME	$ (159,080)	-74.01%	$ 331,198	182.24%

See Independent Auditors' Report
and Notes to Financial Statements.

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PERMA TREAT, INC.

STATEMENTS OF RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
RETAINED EARNINGS AT BEGINNING OF YEAR	$ 264,413	$ 29,979
NET (LOSS) INCOME	(159,080)	331,198
ADDITIONAL PAID IN CAPITAL	34,581	
DISTRIBUTIONS TO STOCKHOLDERS	(21,665)	(96,764)
RETAINED EARNINGS AT END OF YEAR	$ 118,249	$ 264,413

See Independent Auditors' Report
and Notes to Financial Statements.

PERMA TREAT INC

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING ACTIVITIES:		
Cash received from customers	$ 426,722	$ 234,235
Cash paid to suppliers and employees	(427,005)	(200,917)
Trade receivables		
Net cash provided by operating activities	(283)	33,318
INVESTING ACTIVITIES:		
Cash paid for furniture and equipment	(10,993)	(1,240)
Change in notes receivable	(131,321)	
Cash paid for contract rights	(75,556)	
Deposit	(3,584)	
Net cash used in investing activities	(221,454)	(1,240)
FINANCING ACTIVITIES:		
Payments on long-term debt	(350,000)	(80,000)
Proceeds from long-term debt	550,157	61,712
Additional paid in capital	34,581	
Distributions to stockholders	(21,665)	(2,294)
Net cash provided by (used in) financing activities	213,073	(20,582)
NET (DECREASE) INCREASE IN CASH	(8,664)	11,496
CASH AT BEGINNING OF YEAR	15,256	3,760
CASH AT END OF YEAR	$ 6,592	$ 15,256

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (159,080)	$ 331,198
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation	598	83
Gain on sale of equipment		(17,847)
Changes in assets and liabilities, net of effects from non-cash investing and financing activities:		
(Decrease) increase in assets:		
Accounts receivable, net	(11,254)	(555,017)
Inventory	(19,267)	
(Decrease) increase in liabilities:		
Accounts payable	(2,474)	4,876
Other current liabilities	(8,806)	(29,975)
Other liabilities	200,000	300,000
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (283)	$ 33,318

-Continued-

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

2017

Contract rights was purhcased on account.		
Intangible Asset	249,036	
Accounts Payable		249,036

2016

Equipment was sold on account.		
Accounts receivable, net	17,847	
Equipment		17,847
Removal of debt to stockholder.		
Distributions to stockholder	97,160	
Accounts receivable, net		97,160

See Independent Auditors' Report
and Notes to Financial Statements.

PERMA TREAT, INC.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Perma Treat, Inc. (the Company) was incorporated in March 2015 and began operations in 2015. The outstanding stock is owned 100% by Terry Rennie. The Company operates as a franchisor.

Basis of Accounting

The Company uses the accrual method of accounting for financial reporting and the cash method for income tax purposes.

Estimates

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

Cash

The Company considers deposit accounts which are not subject to restrictions or penalties, and highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. At times, such investments may exceed the FDIC insurance limit of $250,000.

Accounts Receivable, Net

Accounts receivable consists of sales of product to the individual franchisees. The Company examines the age of the collectible and determines the collectability of each receivable based on number of days outstanding. When accounts are identified as potentially uncollectible, a reserve is recorded when appropriate. No reserve was recorded at year end December 31, 2017.

Inventory

Inventory consists of sealing material valued at $19,267 at year end December 31, 2017. Inventory is stated at the lower of cost or market.

-Continued-

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenues

The company recognizes income from the sale of franchises as the Company's obligations are completed as outlined in the franchise agreement and all incentive time periods have expired. The Company offers an incentive program to new franchises that states if certain sales goals are met within a two year period, a portion of the sales price of the franchise can be refunded to the franchisee. The amount of income that will be recognized if the sales goals are not met is reported as an unrealized gain on the balance sheet.

Other income consists of the following:

Description	2017	2016
Sale of product	$ 58,182	$ 99,568
Management services		3,000
Shipping	6,775	2,755
Bookkeeping services		10,500
Miscellaneous		1,000
Total	**$ 64,957**	**$ 116,823**

Contract Rights

The contract rights were recorded at cost. In accordance with GAAP, the Company does not amortize indefinite-lived intangible assets. Management evaluates the remaining useful life of an intangible asset that is not being amortized each reporting period to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, it is amortized prospectively over its estimated remaining useful life.

For indefinite-lived intangible assets, the impairment test consists of a comparison of the fair value of an intangible asset with its carrying amount. Fair value is an estimate of the price a willing buyer would pay for the intangible asset and is generally estimated by discounting the expected future cash flows associated with the intangible asset. Any impairment is reported as a separate component of operating income. No impairment of indefinite-lived intangible assets was identified in 2017.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Income Taxes

No provision for income taxes has been made in the financial statements. The Company is taxed as a Subchapter "S" Corporation. Under Subchapter "S" of the Internal Revenue Code, the income, expenses, and credits of the corporation are passed through to the individual stockholders and taxed on their respective income tax returns. The Company is subject to the minimum state income tax on its normal activities. Under ASC 740-10, this is considered an income tax position subject to evaluation regarding the possibility of the position being overturned upon examination by a taxing authority. Management believes this position will not be overturned. No interest or penalties related to income taxes have been recognized in the statements of operations or statements of financial position. The Company uses a calendar year end for income tax reporting purposes, and tax years back to and including the tax year ended December 31, 2015 (the initial tax year) are subject to examination by major taxing jurisdictions.

Equipment

Equipment is stated at cost. Depreciation is provided using straight-line methods of depreciation over ten years.

Franchise Agreement

The franchise agreement grants the franchisee the right to operate a Perma Treat business in the stated geographic area. The franchisor has the obligation to provide training every year, a call center as described in the agreement, national advertising, pre-opening assistance that includes on-site training and assistance in acquiring the needed equipment, signs, fixtures, and any other assistance as outlined in the agreement.

The franchisee has the obligation to make its best effort to sell and promote the Perma Treat product, acquire liability insurance, promptly respond to referrals, purchase product from the Franchisor, maintain financial records and other obligations as outlined in the agreement.

Subsequent Events

The Company has evaluated all subsequent events through July 3, 2018, the date the financial statements were available to be issued.

2. LONG-TERM NOTES RECEIVABLE

Long-term notes receivable consist of the following:

	2017	2016
Perma Treat – Puget Sound (Franchise):	$ 73,329	$ 79,388
Perma Treat – Central Oregon (Franchise):	278,549	294,792
Perma Treat – Idaho (Franchise):	59,488	73,576
Perma Treat – Idaho (Product):	15,271	18,888
Perma Treat – Northern Utah (Franchise):	100,000	
Perma Treat – Northern Utah (Product):	4,211	
Perma Treat – Reno/Tahoe (Franchise).	67,117	
Total long-term note receivable	597,965	466,644
Less current portion	(98,600)	(80,314)
Long-term portion	$ 499,365	$ 386,330

The notes receivable consist of franchise and product sales to franchisees. The company has implemented an incentive program for its franchisees. The franchisees that participate in the incentive program are eligible to receive a credit of the initial franchise fee if certain sale goal are met. If the franchisees achieve the goal, $50,000 will be credited towards the initial franchise fee purchase and related note receivable. The company has receivables that consist of product material that was sold to the franchisees.

3. LONG-TERM DEBT

Long-term debt consist of the following:

	2017	2016
The company has long-term debt with Hollyhock Trust a related party entity. The loan is a 5 year loan with interest only due annually at 5.0%.	$ 611,869	$ 61,712
The company had a long-term debt with Toma Investments, LLC. The contract payment was dependent upon the number of stores that were opened during the year. The Company paid $20,000 as a down payment and would pay $5,000 per quarter per store in operation. At minimum, the Company would pay $15,000 a quarter for the three locations that were in operations in 2017 for a total of $60,000. That amount would increase when additional franchises were opened in 2017. No interest was charged on the contract.		350,000
Total long-term debt	$ 611,869	$ 411,712

4. PENDING LITIGATION

The Company, related entities and the shareholder have entered into litigation against Toma Investments, LLC. The lawsuit is based upon the violation of the contract that the Company has with Toma Investments. Toma Investments has filed a counter suit claiming Perma Treat, Inc. violated the same contract. Both parties are claiming damages greater than $1,000,000. At this time, it is too early in the proceedings to evaluate whether the Company will receive or pay out the claimed damages. Therefore, no receivable or liability has been recorded.

PERMA TREAT, INC.

FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2016
AND INDEPENDENT AUDITORS' REPORT

PERMA TREAT, INC.

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Cooper Norman
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INDEPENDENT AUDITORS' REPORT

Perma Treat, Inc:

We have audited the accompanying financial statements of Perma Treat, Inc (a Nevada S-Corporation), which comprise the balance sheet as of December 31, 2016, and the related statements of operations, retained earnings, and cash flows for the year ended, and the related notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Perma Treat, Inc. as of December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Cooper Norman

Twin Falls, Idaho
December 7, 2017

PERMA TREAT, INC.

BALANCE SHEET
DECEMBER 31, 2016

ASSETS

CURRENT ASSETS:		
Cash	$	15,256
Account receivables, net		478,394
Total current assets		493,650
EQUIPMENT		1,240
Less acccumulated depreciatoin		(83)
Equipment - net		1,157
OTHER ASSETS -		
Contract rights		500,000
Total other assets		500,000
TOTAL	$	994,807

LIABILITIES AND EQUITY

CURRENT LIABILITIES:		
Accounts payable	$	4,877
Short-term notes payable		8,806
Total current liabilities		13,683
LONG-TERM DEBT		411,712
OTHER LIABILITY -		
Deferred gain on sale of franchises		300,000
EQUITY:		
Common stock, no par value, 2,500 shares authorized and 500 share issued and outstanding.		5,000
Retained earnings		264,413
Total equity		269,413
TOTAL	$	994,807

See Independent Auditors' Report
and Notes to Financial Statements.

05682

PERMA TREAT, INC.

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

		Percent of Revenues
REVENUES:		
Franchise royalites	$ 23,915	13.16%
Call center income	41,000	22.56%
Other	116,823	64.28%
Total revenues	181,738	100.00%
COST OF REVENUES	40,407	22.23%
GROSS PROFIT	141,331	77.77%
OPERATING AND ADMINISTRATIVE EXPENSES:		
Professional fees	50,248	27.65%
Salaries and wages	15,982	8.79%
Meals and entertainment	11,369	6.26%
Repairs and maintenance	10,282	5.66%
Office expense	7,837	4.31%
Utilities	6,712	3.69%
Travel	5,236	2.88%
Bank charges	3,763	2.07%
Taxes and licenses	3,715	2.04%
Advertising	2,964	1.63%
Insurance	2,431	1.34%
Payroll taxes	1,689	0.93%
Rent	800	0.44%
Dues and subscriptions	598	0.33%
Postage and delivery	278	0.15%
Depreciation	83	0.05%
Total operating and administrative expenses	123,987	68.22%
INCOME FROM OPERATIONS	17,344	9.54%
OTHER INCOME (EXPENSE):		
Gain on sale of business	300,000	165.07%
Interest income	7,514	4.13%
Gain on sale of equipment	17,847	9.82%
Investment loss	(11,507)	-6.33%
Total other income (expense)	313,854	172.70%
NET INCOME	$ 331,198	182.24%

See Independent Auditors' Report
and Notes to Financial Statements.

05883

PERMA TREAT, INC.

STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

RETAINED EARNINGS AT BEGINNING OF YEAR	$ 29,979
NET INCOME	331,198
DISTRIBUTIONS TO STOCKHOLDERS	(96,764)
RETAINED EARNINGS AT END OF YEAR	$ 264,413

See Independent Auditors' Report
and Notes to Financial Statements.

05823

PERMA TREAT INC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATING ACTIVITIES:		
Cash received from customers	$	234,235
Cash paid to suppliers and employees		(200,917)
Net cash provided by operating activities		33,318
INVESTING ACTIVITIES -		
Purchase of equipment		(1,240)
FINANCING ACTIVITIES:		
Payments on long-term debt		(80,000)
Proceeds from long-term note payables		61,712
Distributions to stockholders		(2,294)
Net cash used in financing activities		(20,582)
NET INCREASE IN CASH		11,496
CASH AT BEGINNING OF YEAR		3,760
CASH AT END OF YEAR	$	15,256

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$	331,198
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		83
Changes in assets and liabilities, net of effects from non-cash investing and financing activities:		
Increase in assets -		
Accounts receivable, net		(555,017)
Increase (decrease) in liabilities:		
Accounts payable		4,876
Other current liabilities		(29,975)
Other liabilities		300,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	33,318

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Equipment was sold on account.		
Account receivables, net	17,847	
Equipment		17,847
Removal of debt to stockholder.		
Distributions to stockholder	97,160	
Account receivables, net		97,160

See Independent Auditors' Report
and Notes to Financial Statements.

05885

PERMA TREAT, INC.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Perma Treat, Inc. (the Company) was incorporated in March 2015 and began operations in 2015. The outstanding stock is owned 100% by Terry Rennie. The Company operates as a franchisor.

Basis of Accounting

The Company uses the accrual method of accounting for financial reporting and the cash method for income tax purposes.

Estimates

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

Cash

The Company considers deposit accounts which are not subject to restrictions or penalties, and highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. At times, such investments may exceed the FDIC insurance limit of $250,000.

Accounts Receivable

Accounts receivable consists of sales of product to the individual franchisees. The Company examines the age of the collectible and determines the collectability of each receivable based on number of days outstanding. When accounts are identified as potentially uncollectible, a reserve is recorded when appropriate. No reserve was recorded at year end December 31, 2016.

Revenues

The company recognizes income from the sale of franchises as the Company's obligations are completed as outlined in the franchise agreement and all incentive time periods have expired. The Company offers an incentive program to new franchises that states if certain sales goals are met within a two year period, the sales price of the franchise can be refunded to the franchisee. The amount of income that will be recognized if the sales goals are not met is reported as an unrealized gain on the balance sheet of $300,000.

-Continued-

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Other income consists of the following:

Description	2016
Sale of product	$ 99,568
Management services	3,000
Shipping	2,755
Bookkeeping services	10,500
Miscellaneous	1,000
Total	**$ 116,823**

Contact Rights

The contract rights were recorded at cost. In accordance with GAAP, the Company does not amortize indefinite-lived intangible assets. Management evaluates the remaining useful life of an intangible asset that is not being amortized each reporting period to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, it is amortized prospectively over its estimated remaining useful life.

For indefinite-lived intangible assets, the impairment test consists of a comparison of the fair value of an intangible asset with its carrying amount. Fair value is an estimate of the price a willing buyer would pay for the intangible asset and is generally estimated by discounting the expected future cash flows associated with the intangible asset. Any impairment is reported as a separate component of operating income. No impairment of indefinite-lived intangible assets was identified in 2016.

Income Taxes

No provision for income taxes has been made in the financial statements. The Company is taxed as a Subchapter "S" Corporation. Under Subchapter "S" of the Internal Revenue Code, the income, expenses, and credits of the corporation are passed through to the individual stockholders and taxed on their respective income tax returns. The Company is subject to the minimum state income tax on its normal activities. Under ASC 740-10, this is considered an income tax position subject to evaluation regarding the possibility of the position being overturned upon examination by a taxing authority. Management believes this position will not be overturned. No interest or penalties related to income taxes have been recognized in the statements of operations or statements of financial position. The Company uses a calendar year end for income tax reporting purposes, and tax years back to and including the tax year ended December 31, 2015 (the initial tax year) are subject to examination by major taxing jurisdictions.

-Continued-

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Equipment

Equipment is stated at cost. Depreciation is provided using straight-line methods of depreciation over ten years.

Franchise Agreement

The franchise agreement grants the franchisee the right to operate a Perma Treat business in the stated geographic area. The franchisor has the obligation to provide training every year, a call center as described in the agreement, national advertising, pre-opening assistance that includes on-site training and assistance in acquiring the needed equipment, signs, fixtures, etc. and any other assistance as outlined in the agreement.

The franchisee has the obligation to make its best effort to sale and promote the Perma Treat product, acquire liability insurance, promptly respond to referrals, purchase product from the Franchisor, maintain financial records and other obligations as outlined in the agreement.

Subsequent Events

The Company has evaluated all subsequent events through December 7, 2017, the date the financial statements were available to be issued.

2. LONG-TERM DEBT

The company has long-term debt with Toma Investments, LLC. The contract payment is dependent upon the number of stores that are opened during the year. The Company paid $20,000 as a down payment and will pay $5,000 per quarter per store in operation. At minimum, the Company will pay $15,000 a quarter for the three locations that are currently in operations in 2017 for a total current portion of $60,000. This amount will increase if any additional franchises are opened in 2017. No interest is being charged on the contract.

3. SUBSEQUENT EVENTS

Subsequent to the date of these financial statements, but prior to the issuance date of this report, the Company, related entities and the shareholder have entered into litigation against Toma Investments, LLC. The lawsuit is based upon the violation of the contract that the Company has with Toma Investments. Toma Investments has filed a counter suit claiming Perma Treat, Inc. violated the same contract. Both parties are claiming damages greater than $1,000,000. At this time, it is too early in the proceedings to evaluate whether the Company will receive or pay out the claimed damages. Therefore, no receivable or liability has been recorded.

Perma Treat, Inc.

EXHIBIT D

Brand Standards Manual Table of Contents

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Perma Treat, Inc.

EXHIBIT E

Form of General Release

GENERAL RELEASE

As a condition to Perma Treat, Inc.'s ("Franchisor") consent to **[grant a Successor Franchise Agreement to] [the proposed transfer of the Franchise Agreement]** by **[name of franchisee]** ("Franchisee") under the Franchise Agreement dated _____**[date of Franchise Agreement]**, the undersigned, and each of their respective corporate parents, subsidiaries, Affiliates, successors in interest, heirs and assigns, and each of their respective owners, Managers, directors, officers, agents, servants, and employees, as applicable, whether specifically mentioned herein or not, do hereby release, acquit and forever discharge Franchisor and its respective parents, subsidiaries, Affiliates, and successors in interest, and each of their respective directors, officers, agents, servants, employees, whether specifically mentioned herein or not, of and from any and all liability, actions, causes of action, Claims, debts, demands, damages and liabilities to person(s) or property, costs, expenses and compensation of every nature, kind and character whatsoever, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or unliquidated, whether statutory, contract, or in tort on account of or in any way connected with or related to Franchisor's, or Franchisor's Affiliate's, offer, sale, grant of, construction, subleasing, operation of, assistance with operation of, or development of franchises or franchise rights in any and all franchise locations awarded at any time to the undersigned and from the inception of any contact with Franchisor to the date of this Release. It is the express intention of the undersigned that this Release be as broad as permitted by law.

Undersigned represents and warrants that execution hereof is free and voluntary; that no inducements, threats, representations, or influences of any kind were made or exerted by or on behalf of Franchisor; and that, prior to the execution hereof, undersigned was given the opportunity, if desired, to consult with counsel. This Release shall be binding upon the undersigned, their heirs, successors and legal representatives. Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require. This Release may not be changed orally.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS AND OWNERS / MANAGERS / SHAREHOLDERS AND A DULY AUTHORIZED OFFICER MUST EXECUTE THIS RELEASE (Attach Additional Sheets if Necessary).

By: _____

Name: _____

By: _____

Name: _____

Perma Treat, Inc.

EXHIBIT F

State-Specific Addendum to Franchise Disclosure Document and Agreements

EXHIBIT F

STATE-SPECIFIC ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are to the Franchise Disclosure Document between Perma Treat, Inc. ("Franchisor," "we," "us," or "our") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between Franchisor and you ("you," "you," or "your" dated _____, 20___.

The state-specific amendments of this State Law Addendum to Franchise Disclosure Document, and Franchise Agreement, ("**State Addendum**") supersede the related provisions of those agreements, and apply only to those persons residing or operating Cleaning, Sealing and Staining Businesses in the following states:

FOR THE STATE OF CALIFORNIA:

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

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

The Department of Business Oversight requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

The franchise agreement requires binding arbitration. The arbitration will occur at Las Vegas, Nevada, or at the American Arbitration Association office closest to our then-current headquarters if we are no longer headquartered in Las Vegas, Nevada, with the costs being borne equally by the parties in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Disclosure Document is hereby amended as follows:

The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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

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

The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

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

The Franchise Agreement requires application of the laws of the State of Nevada. This provision may not be enforceable under California law.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Franchise Agreement is hereby amended as follows:

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of California:

1. Any condition, stipulation, or provision in the Franchise Agreement which would result in your waiver of compliance with any provision of the California Franchise Relations Act is void to the extent that such provision violates such act.

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

For the purposes of Cal. Bus. & Prof. Code Section 20022, the parties agree as follows:

The parties agree that they will use the declining-balance depreciation method to calculate the value of Franchisee's inventory, supplies, equipment, fixtures, and furnishings (the "Assets") for the purposes of a purchase by us under Section 20022. The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.

The parties agree that for the purposes of Section 20022, you are not able to provide to us "clear title and possession" to your Assets if those Assets are subject to liens or encumbrances including: a) purchase money security interest; b) blanket security interest; c) right of first refusal; d) lien by franchisee's landlord; or e) tax lien.

The parties agree that for the purposes of Section 20022(h), our right of offset will include the following amounts owed by you to us or our Affiliates: a) Royalty Fees; b) Brand Fund Fees; c) Social Media fees; d) Liquidated Damages; e) Transfer Fees; and f) any other type of fee owed by you to us or our Affiliates.

For the purposes of Cal. Bus. & Prof. Code Section 20035, the parties agree as follows:

"Fair market value of the franchise assets" means the value of your Assets, valued according to the declining-balance method of depreciation. The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.

"Fair market value of the franchised business" means the "fair market value of the franchise assets" as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of Royalty Fees paid by you to us within the 12-month period immediately before our termination or failure to renew you in violation of the California Franchise Relations Act.

FOR THE STATE OF CONNECTICUT:

The following statement is added to the cover page of the Franchise Disclosure Document:

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

The following statement is added to Item 3 of the Franchise Disclosure Document:

There are no pending or completed actions against us relating to Securities Laws; Business Opportunity Laws; Actions Brought by Present or Former Purchaser-Investors Involving Franchise; or Business Opportunity Relationships that are required to be disclosed in this Disclosure Document.

The FDD and Franchise Agreement are hereby modified to state that, if we require you to purchase products, equipment or supplies from us but fail to provide those products, equipment or supplies or fail to render the services necessary to begin substantial operation of the business within 45 days of the required opening date stated in your contract, you may notify us in writing and demand that the contract be canceled.

FOR THE STATE OF HAWAII:

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

FOR THE STATE OF ILLINOIS:

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The Franchise Disclosure Document and Franchise Agreement are amended accordingly.

The governing law or choice of law clause described in the Franchise Disclosure Document and contained in the Franchise Agreement may not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void."

To the extent that the Franchise Agreement would otherwise violate Illinois law, the agreements are amended by providing that all litigation by or between you and us, arising directly or indirectly from the franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

17(v), Choice of Forum, of the Franchise Disclosure Document is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act".

17(w), Choice of Law, of the Franchise Disclosure Document is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act".

The termination and non-renewal provisions in the Franchise Disclosure Document and Franchise Agreement may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement are inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede those provisions.

FOR THE STATE OF INDIANA:

Item 8 of the Franchise Disclosure Document is amended to add the following:

> Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person,

other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the Franchise Disclosure Document is amended to add the following:

17(e) is amended subject to Indiana Code 23-2-2.7-1(7), which makes it unlawful for us to unilaterally terminate your franchise agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

17(m) is amended subject to Indiana Code 23-2-2.7-1(5), which prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant will have a geographical limitation of the Protected Territory granted to you.

17(v) is amended to provide that you will be permitted to begin litigation in Indiana for a cause of action under Indiana law.

17 (w) is amended to provide that if there is a conflict of law, Indiana Law governs any cause of action which arises under the Indiana Disclosure Law or Indiana Deceptive Franchise Practices Act.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Disclosure Document and the Franchise Agreement, or Nevada law, if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Agreement to the extent the Agreement may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement which would require you to prospectively assent to a release, or, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The Franchise Agreement will be modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

FOR THE STATE OF IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Michele Brickwood at Perma Treat, Inc., PO Box 90192 Henderson NV 89009, Phone: (360) 798-8064 or email: michele@perma-treat.com, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

_____

Print Name: _____

Its: _____

_____

Date: _____

_____

FOR THE STATE OF MARYLAND

The Franchise Disclosure Document, Franchise Agreement, and Compliance Questionnaire are amended as stated below.

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal and or assignment, will not apply to liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration & Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

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

The Franchise Agreement and Compliance Questionnaire are amended to state: "[a]ll representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

FOR THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

FOR THE STATE OF MINNESOTA:

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement that would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.

3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Agreement relating to arbitration.

4. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

5. Item 13 of the FDD is hereby amended to state that we will protect your rights under this Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Agreement and our System standards. Notwithstanding anything to the contrary in the Franchise Agreement, we will protect your rights under this Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the provisions of the Franchise Agreement that require you to sign a general release prior to renewing or transferring your franchise are hereby deleted from the Franchise Agreement.

7. The following language will be added to the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

9. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues.

FOR THE STATE OF NEW YORK:

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 NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. 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 Item 4:

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

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

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

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

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

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

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

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

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

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

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

FOR THE STATE OF NORTH DAKOTA:

Sections of the Franchise Disclosure Document and Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

The Franchise Agreement and Confidentiality / Non-Competition Agreement contain a covenant not to compete which may not be enforceable under North Dakota law.

Sections of the Franchise Disclosure Document and Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document and Franchise Agreement relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Section of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

FOR THE STATE OF OHIO:

The following language will be added to the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Michele Brickwood at Perma Treat, Inc., PO Box 90192 Henderson NV 89009, Phone: (360) 798-8064 or email: michele@perma-treat.com, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

you: _____

By: _____

Print Name: _____

Its: _____

Date: _____

FOR THE STATE OF RHODE ISLAND:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The Franchise Disclosure Document and Franchise Agreement are amended accordingly to the extent required by law.

The above language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all choice of law provisions, are fully enforceable. The Franchisor and you intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

FOR THE STATE OF VIRGINIA:

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17(h) of the Disclosure Document. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

FOR THE STATE OF WASHINGTON:

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the

agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Due to our financial condition, the Washington Department of Financial Institutions has required us to defer all initial fees until your business is open and operating. All of your initial fees, including your initial franchise fee will be deferred our initial obligations to you are complete and your business is open and operating.

FOR THE STATE OF WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document and Franchise Agreement are amended accordingly.

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing State-Specific Addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20___, and of the Franchise Disclosure Document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect, and the parties further acknowledge and agree that this State-Specific Addendum is applicable only to those persons specifically subject to the protections of the state laws referenced in this State-Specific Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this State Law Addendum as of the Effective Date of the Franchise Agreement between the parties.

Perma Treat, Inc.	you: _____
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

Perma Treat, Inc.

EXHIBIT G

Compliance Questionnaire

EXHIBIT G

COMPLIANCE QUESTIONNAIRE

As you know, Perma Treat, Inc. and you are preparing to enter into a Franchise Agreement (the "Agreement"). In this questionnaire, Perma Treat, Inc. will be referred to as "we" or "us." The purpose of this questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be inaccurate. Please review each of the following questions carefully and provide honest and complete responses to each question. **If the answer you give calls for a written explanation and there is not enough room in the space we provide on this questionnaire to give a complete written explanation, please attach additional pages as necessary.**

1. Have you received, studied and reviewed carefully the Franchise Disclosure Document and Agreement(s)? Check one: (__) Yes (__) No

2. Do you understand all of the information contained in the Agreement(s) and each Addendum, schedule, or exhibit attached to it or them? Check one: (__) Yes (__) No

If your answer is "No," what parts of the Agreements do you not understand?

_____

_____

_____

3. Do you understand all of the information contained in the Franchise Disclosure Document and each addendum or exhibit attached to it? Check one: (__) Yes (__) No

If your answer is "No," what parts of the Franchise Disclosure Document do you not understand?

_____

_____

_____

4. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a business as a Perma Treat® franchise, or have you made the decision not to consult with one? Check one: (__) Yes (__) No

5. Has any employee or other person speaking on our behalf made any statement or promise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Check one: (__) Yes (__) No

If your answer to question 5 is "Yes," please describe the statement or promise:

_____

_____

_____

6. Was any oral, written or visual claim or representation made to you that stated, suggested, predicted or projected your sales, expenses, income or profit levels or that of any actual or hypothetical franchise business, other than as set forth in Item 19 of the Franchise Disclosure Document? Check one: (__) Yes (__) No

If your answer is "Yes," please describe the oral, written or visual claim or representation made to you:

7. Do you understand that the success or failure of your business will depend in large part upon your skills and experience, your business acumen, the hours you will work, your location, the local market for Perma Treat® products and services, interest rates, the economy, inflation, the prevailing wage rate, competition, and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your business may change? Check one: (__) Yes (__) No

If your answer is "No," please describe your understanding of what the success or failure of your business will depend upon:

8. Have any of our employees or any other persons speaking on our behalf made any statement, promise or agreement concerning the likelihood of success that you should or might expect to achieve from operating a Perma Treat® franchise? Check one: (__) Yes (__) No

If your answer is "Yes," please describe the statement, promise, or agreement:

9. Have any of our employees or any other persons speaking on our behalf made any statement, agreement or promise to you concerning the advertising, marketing, training, support, service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD? Check one: (__) Yes (__) No

If your answer is "Yes," please describe the statement, promise, or agreement:

10. Have any of our employees or any other persons speaking on our behalf made any statement, agreement or promise to you concerning the costs you may incur in operating a Perma Treat® franchise that is contrary to, or different from, the information contained in the FDD? Check one: (__) Yes (__) No

If your answer is "Yes," please describe the statement, promise, or agreement:

11. Do you understand that there may be national, regional, state, or local laws or regulations applying to the operation of a Perma Treat® franchise (either specifically or generally), and that, as a franchisee, you are fully responsible as an independent business owner for learning about and complying with these laws? Check one: (__) Yes (__) No

If your answer is "No," please describe your understanding regarding legal compliance:

12. Have we or any of our employees or any other persons speaking on our behalf made any oral, written, visual or other promises, agreements, commitments, representation, understandings, "side agreements" or otherwise that expand upon or are inconsistent with FDD or the Agreement(s), or any attached written addendum signed by you and an officer of ours? Check one: (__) Yes (__) No

If your answer is "Yes," please describe the promises, agreements, commitments, representation, understandings, "side agreements" or other expansion:

13. Have we or any of our employees or any other persons speaking on our behalf made any statements to you regarding the financial condition of our parent company or any of our affiliated companies? Check one: (__) Yes (__) No

If your answer is "Yes," have you relied on the statement(s) regarding the financial condition of any of our affiliated companies in deciding whether to purchase a franchise from us? Check one: (__) Yes (__) No

If your answer to either of the above questions is "Yes," please describe the statements you received or heard regarding the financial condition of our parent or any of our affiliated companies:

14. Do you understand that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the Perma Treat® brand and trademarks and to assist you in the operation of your business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of your employees and all other employment and employee related matters? Check One: (__) Yes (__) No. If no, please comment:

15. Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws? Check one: (__) Yes (__) No

16. Which of our representatives have you met with?

_____

_____

_____

_____

By signing below, you are acknowledging that you understand that your answers are important and that we will rely on them, and that you have responded truthfully to the above questions.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS MUST EXECUTE THIS ACKNOWLEDGMENT (Make Additional Copies if Necessary).

By: _____ Address: _____

_____

Name: _____ Telephone: _____

By: _____ Address: _____

_____

Name: _____ Telephone: _____

Perma Treat, Inc.

EXHIBIT H

Confidentiality Agreement and Covenant Not to Compete and Confidentiality Agreement

EXHIBIT H-1

CONFIDENTIALITY AGREEMENT AND COVENANT NOT TO COMPETE

This CONFIDENTIALITY AGREEMENT AND COVENANT NOT TO COMPETE ("**Agreement**") is made and entered into this _____ day of _____, 20___, between ("**you**"); and _____ ("**Franchisee**").

RECITALS

A. Franchisee has entered into a franchise agreement with Perma Treat, Inc. ("**Perma Treat**").

B. You are a General Manager, officer, director, or an entity affiliated with, or providing products or services to Franchisee.

C. As a result of Franchisee's relationship with you, you will have access to certain confidential and proprietary information of Perma Treat.

NOW, THEREFORE, in consideration of the foregoing and in order to induce Perma Treat enter into, or to continue, a relationship with you, the parties hereby agree as follows:

1. **Perma Treat Is Third Party Beneficiary.** You and Franchisee acknowledge and agree that this Agreement is made for their mutual benefit and for the benefit and protection of Perma Treat, which is an intended third party beneficiary of this Agreement with rights to enforce the remedies provided herein.

2. **Confidential Information.** It is understood that as a result of your position or relationship with Franchisee, you will be afforded access to confidential and/or proprietary information of Perma Treat. In consideration of Perma Treat's agreement to enter into and continue its business relationship with Franchisee and to continue to make available to you and Franchisee information, including confidential and/or proprietary information, relating to Perma Treat and its business and operations, you agree not to disclose, furnish, divulge, communicate, or otherwise directly or indirectly use any of the confidential and/or proprietary information of Perma Treat (including without limitation sales and marketing methods and data, operating and other business data, computer programs, trade secrets, business plans, advertising and promotional methods, financial information and data, product information, information regarding current or prospective customers and clients, other franchisees, agencies, Suppliers, and other related information) (hereinafter, "**Confidential Information**"), other than strictly incidental to, and solely in furtherance and within the scope of, your relationship with Perma Treat and your employment or business relationship with Franchisee, which obligation applies at all times during and following your employment or relationship with Franchisee, regardless of the manner in which such employment or relationship ends or the reason for it ending. "Confidential Information" shall not include information which: (a) at or prior to the time of receipt was in the public domain; (b) at or prior to the time of receipt by you or the signing of the Franchise Agreement, whichever occurred first, was known to you and in actual commercial use by you or generally within the industry, in the manner and combination disclosed; or (c) is subsequently received by you or Franchisee from an independent third party not in breach of any duty of nondisclosure, secrecy, nonuse or similar duty, but only to the extent and in the form, manner and combination so disclosed.

You agree not to make any copies of, reproductions of, or extracts of any Confidential Information of Perma Treat except strictly incidental to, and solely in furtherance and within the scope of, your relationship with Perma Treat and your employment or business relationship with Franchisee. Upon termination of the Franchise Agreement (or of Franchisee's relationship with you, as the case may be), for any reason, you must return all lists, printouts, memoranda, reports, surveys, studies, notes, letters and all other documents

then in your possession or under your control containing or relating to any Confidential Information, whether in paper, digital, or other form or medium, without retaining any copies or reproductions thereof in any form.

If you receive a subpoena or any other form of legal process seeking to compel the production of any Confidential Information, you will immediately provide Franchisee and Perma Treat with written notice of the receipt of such subpoena or process and a copy thereof, and will cooperate with Franchisee and/or Perma Treat in any action they take to oppose the production of Confidential Information or to obtain a protective order. Written notice to Perma Treat shall be given to its President.

3. **Covenant Not to Compete**. While you maintain a relationship with Franchisee, you shall not engage in any activity which competes directly or indirectly with Perma Treat in any state in which Perma Treat is doing business or in which it has current plans to begin business, except with the written permission of Franchisee or Perma Treat. If your relationship with Franchisee is terminated for any reason, you will be prohibited for a period of three (3) years from the date of such termination, from any place within one hundred (100) miles of Franchisee's business location, from:

(a) Directly or indirectly soliciting any customer or client of Perma Treat or Franchisee.

(b) Inducing, advising, suggesting or attempting to influence directly or indirectly anyone affiliated with Perma Treat's franchisees to terminate employment or establish a professional relationship with another person or entity.

(c) Directly or indirectly participating in or being connected in any manner with the ownership, management or operation of any business or entity that competes with Perma Treat, in offering or selling services or products relating to the treatment, cleaning or sealing of surfaces.

4. **Non-solicitation**. While you are employed by or associated with Franchisee, and for two (2) years after your employment or relationship ends, you must not, without prior written permission of Perma Treat, directly or indirectly:

(a) Employ or attempt to employ any person who at that time is employed, or within the prior six months has been employed by Perma Treat, Franchisee, or any affiliate of either of them.

(b) Induce or attempt to induce any person to leave employment with Perma Treat, Franchisee, or any affiliate of either of them, or any other franchisee of Perma Treat.

(c) Solicit or attempt to solicit any customers or clients for whom you provided services while you were employed by or affiliated with Franchisee.

5. **Breach of Agreement**. You acknowledge and agree that your violation or breach of the "Covenant Not to Compete," disclosure of "Confidential Information," or the "Non-solicitation" provisions, as provided herein by this Agreement will cause irreparable injury to Perma Treat for which there is no adequate remedy at law. Accordingly, you agree that in the event of any breach or violation of this Agreement, Perma Treat and/or Franchisee will be entitled to enforce this Agreement by injunctive and any other equitable relief in any court of competent jurisdiction. Such relief will be in addition to other remedies available at law, including without limitation, recovery of damages. You agree to comply with a judgment forbidding you from violating these provisions in the event there is a finding of breach. In addition, Perma Treat will be entitled to recover and obtain from you all costs including, without limitation, reasonable attorneys' fees associated with any legal action arising out of your breach of any of the provisions of this Agreement.

If any phrase, clause or provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction, such phrase, clause or provision shall be deemed severed from this Agreement, but will not affect any other provisions of this Agreement, all of which will otherwise remain in full force and effect.

You acknowledge and agree that the restrictions set forth herein are reasonable, in terms of scope, duration, geographic area, and otherwise that the protections afforded to Perma Treat hereunder are necessary to protect its legitimate business interests.

6. **Choice of Law**. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Nevada, without respect to its conflict of laws principles.

_____	You: _____
[Name of Franchisee]	
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

EXHIBIT H-2

CONFIDENTIALITY AGREEMENT

This CONFIDENTIALITY AGREEMENT ("**Agreement**") is made and entered into this _____ day of _____, 20___, between ("**you**"); and _____ ("**Franchisee**").

RECITALS

A. Franchisee has entered into a franchise agreement with Perma Treat, Inc. ("**Perma Treat**").

B. You are an employee of, or are otherwise affiliated with, or provide products or services to Franchisee.

C. As a result of Franchisee's relationship with you, you will have access to certain confidential and proprietary information of Perma Treat.

NOW, THEREFORE, in consideration of the foregoing and in order to induce Perma Treat enter into, or to continue, a relationship with you, the parties hereby agree as follows:

1. **Perma Treat Is Third Party Beneficiary.** You and Franchisee acknowledge and agree that this Agreement is made for their mutual benefit and for the benefit and protection of Perma Treat, which is an intended third party beneficiary of this Agreement with rights to enforce the remedies provided herein.

2. **Confidential Information.** It is understood that as a result of your position or relationship with Franchisee, you will be afforded access to confidential and/or proprietary information of Perma Treat. In consideration of Perma Treat's agreement to enter into and continue its business relationship with Franchisee and to continue to make available to you and Franchisee information, including confidential and/or proprietary information, relating to Perma Treat and its business and operations, you agree not to disclose, furnish, divulge, communicate, or otherwise directly or indirectly use any of the confidential and/or proprietary information of Perma Treat (including without limitation sales and marketing methods and data, operating and other business data, computer programs, trade secrets, business plans, advertising and promotional methods, financial information and data, product information, information regarding current or prospective customers and clients, other franchisees, agencies, Suppliers, and other related information) (hereinafter, "**Confidential Information**"), other than strictly incidental to, and solely in furtherance and within the scope of, your relationship with Perma Treat and your employment or business relationship with Franchisee, which obligation applies at all times during and following your employment or relationship with Franchisee, regardless of the manner in which such employment or relationship ends or the reason for it ending. "Confidential Information" shall not include information which: (a) at or prior to the time of receipt was in the public domain; (b) at or prior to the time of receipt by you or the signing of the Franchise Agreement, whichever occurred first, was known to you and in actual commercial use by you or generally within the industry, in the manner and combination disclosed; or (c) is subsequently received by you or Franchisee from an independent third party not in breach of any duty of nondisclosure, secrecy, nonuse or similar duty, but only to the extent and in the form, manner and combination so disclosed.

You agree not to make any copies of, reproductions of, or extracts of any Confidential Information of Perma Treat except strictly incidental to, and solely in furtherance and within the scope of, your relationship with Perma Treat and your employment or business relationship with Franchisee. Upon termination of the Franchise Agreement (or of Franchisee's relationship with you, as the case may be), for any reason, you must return all lists, printouts, memoranda, reports, surveys, studies, notes, letters and all other documents

then in your possession or under your control containing or relating to any Confidential Information, whether in paper, digital, or other form or medium, without retaining any copies or reproductions thereof in any form.

If you receive a subpoena or any other form of legal process seeking to compel the production of any Confidential Information, you will immediately provide Franchisee and Perma Treat with written notice of the receipt of such subpoena or process and a copy thereof, and will cooperate with Franchisee and/or Perma Treat in any action they take to oppose the production of Confidential Information or to obtain a protective order. Written notice to Perma Treat shall be given to its President.

3. **Breach of Agreement**. You acknowledge and agree that your violation or breach this Agreement will cause irreparable injury to Perma Treat for which there is no adequate remedy at law. Accordingly, you agree that in the event of any breach or violation of this Agreement, Perma Treat and/or Franchisee will be entitled to enforce this Agreement by injunctive and any other equitable relief in any court of competent jurisdiction. Such relief will be in addition to other remedies available at law, including without limitation, recovery of damages. You agree to comply with a judgment forbidding you from violating this Agreement in the event there is a finding of breach. In addition, Perma Treat will be entitled to recover and obtain from you all costs including, without limitation, reasonable attorneys' fees associated with any legal action arising out of your breach of any of the provisions of this Agreement.

If any phrase, clause or provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction, such phrase, clause or provision shall be deemed severed from this Agreement, but will not affect any other provisions of this Agreement, all of which will otherwise remain in full force and effect.

You acknowledge and agree that the restrictions set forth herein are reasonable, and that the protections afforded to Perma Treat hereunder are necessary to protect its legitimate business interests.

4. **Choice of Law**. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Nevada, without respect to its conflict of laws principles.

_____	You: _____
[Name of Franchisee]	
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

Perma Treat, Inc.

EXHIBIT I

List of Franchisees

EXHIBIT I-1
List of Current Franchisees

FIRST NAME	LAST NAME	BUSINESS STREET ADDRESS	BUSINESS CITY	ZIP CODE	STATE	PHONE NUMBER
Justin	Voss	17421 W. Mohave St.	Goodyear	85338	AZ	(541) 647-4017
Josh	Pettigrew	104 E Fairview Ave, Suite #244	Meridian	83642	ID	208-982-1703
Todd	MacDonald	425 Pahute Rd.	Crystal Bay	89402	NV	775-313-4990
Alex & Luanna	Armitage	1830 E/ 11400 S	Sandy	84092	UT	801-201-1118
Kris	Trees	2727 Eastlake Ave. East #102	Seattle	98102	WA	425-750-6433

EXHIBIT I-2
List of Franchisees – Sold But Not Yet Open As Of December 31, 2018

None.

EXHIBIT I-3
List of Former Franchisees

Jerry Hollis
20905 Clearview Court
Bend, Oregon 97702
(541) 815-3383

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

Perma Treat, Inc.

EXHIBIT K

Promissory Note

SECURED PROMISSORY NOTE

$_____

Henderson, Nevada
Dated _____ of _____, 2018

FOR VALUE RECEIVED, the undersigned _____, a _____, located at _____ ("Franchisee") promises to pay to the order of PERMA TREAT, INC., a Nevada corporation ("Franchisor") at its office at P.O. Box 90192, Henderson, Nevada 90192, or at such other place as the holder hereof may designate, in lawful money of the United States of America and in immediately available funds, the principal sum of _____ ($_____), with interest thereon at the rate of ten percent (10%) per annum. Franchisee and Franchisor are parties to that certain Franchise Agreement dated _____ (the "Franchise Agreement").

1. BORROWING AND REPAYMENT:

The principal and interest due and payable on this Note shall be paid in equal monthly payments of principal and interest based upon a one hundred twenty month amortization schedule. The monthly payments shall begin on the first of the month following execution of this Note. The outstanding principal balance of this Note together with any accrued and unpaid interest shall be due and payable in full in one lump sum payment on the fifth anniversary of the date of this Note.

2. INTEREST RATES AND FEES:

(a) Interest on Borrowings. The outstanding principal balance of this Note shall bear interest at the rate of ten percent (10%) per annum.

(b) Interest on Default. In an Event of Default, as defined below, the entire unpaid principal balance shall automatically bear interest at an annual interest rate (instead of the rate specified in paragraph (a) hereinabove) equal to the lesser of (a) thirteen percent (13%) or (b) the maximum interest rate allowed by law (the "Default Rate").

3. EVENTS OF DEFAULT:

The occurrence of any of the following shall constitute an "Event of Default" under this Note:

(a) The failure to pay any principal, interest, fees or other charges when due hereunder or under any contract, instrument or document executed in connection with this Note, in each case, following notice and a ten (10) day opportunity to cure such failure.

(b) The termination of the Franchise Agreement.

(c) Any violation or breach of any provision of, or any defined event of default under, any addendum to this Note or any other document executed in connection with or securing this Note, in each case following notice and a ten (10) day opportunity to cure the same.

4. NEGATIVE PLEDGE:

Franchisee shall not mortgage, pledge, grant or permit to exist a security interest in, or lien upon, all or any portion of Franchisee's assets now owned or hereafter acquired, except as set forth herein.

5. MISCELLANEOUS:

(a) Remedies. Upon the occurrence of any Event of Default (following the expiration of any applicable notice and cure period), the holder of this Note, at the holder's option, in the holder's sole and absolute discretion, may declare all sums of principal and interest outstanding hereunder to be immediately due and payable without presentment, demand, notice of nonperformance, notice of protest, or notice of dishonor, all of which are expressly waived by the Franchisee, and any obligation, if any ,of the holder shall immediately cease and terminate. Upon the occurrence of any Event of Default (following the expiration of any applicable notice and cure periods), Franchisee shall pay to the holder immediately upon demand, the full amount of all payments, advances, charges, costs and expenses, including reasonable attorneys' fees incurred by the holder in connection with the enforcement of the holder's rights and/or the collection of any amounts which become due to the holder under this Note, relating to Franchisee or any other person or entity. In addition to any other remedies to which Franchisor is entitled under this Note, upon the occurrence of any Event of Default (following the expiration of any applicable notice and cure period), Franchisor may terminate the Franchise Agreement.

(b) Security Interest. As security for its performance under this Note, the Franchisee shall grant to Franchisor a security interest in all of its assets to secure the performance of this Note. This provision is intended to create a security interest under the Uniform Commercial Code and Franchisee authorizes the Franchisor to file a Financing Statement perfecting this security interest.

(c) Personal Guarantees. As additional security for the performance of the obligations of Franchisee, all owners of Franchisee and their spouses (collectively "Guarantors"), shall each execute herewith the personal guaranty, attached as Exhibit "A" to this Note, pursuant to which Guarantors personally guaranty performance of all obligations of Franchisee to Franchisor under this Note.

(d) Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Nevada, and venue for any action brought with respect to this Note shall be the any court with jurisdiction located in Clark County, Nevada.

(e) Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Note, the prevailing party shall be entitled to actual attorneys' fees, costs (including expert witness fees), and necessary disbursements in addition to any relief to which he, she or it may be entitled.

(f) Notice. Any notice required to be provided in this Note shall be given in writing and shall be sent (i) delivered personally with record of the date, time, address and person to whom notice was delivered; (ii) by first-class certified United States mail, postage prepaid, return receipt requested; or (iii) by a nationally recognized overnight courier service, marked for next day business delivery. All notices shall be addressed to the party to whom such notice is to be given at the address stated in this Note or to such other address as a party may designate by written notice to the other. All notices shall be deemed effective on the earliest of (i) actual receipt; (ii) rejection of delivery; (iii) if sent by certified mail, the third day on which regular United States mail delivery service is provided after the day of mailing or, (iv) if sent by overnight delivery service, on the next day on which such service makes next-business-day deliveries after the day of sending.

(g) Forbearance Not a Waiver. If Franchisor delays in exercising or fails to exercise any of its rights under this Note, that delay or failure shall not constitute a waiver of any of Franchisor's rights or of any breach, default, or failure of condition under this Note. No waiver by Franchisor of any of its rights or

of any such breach, default, or failure of condition shall be effective, unless the waiver is expressly stated in a writing signed by Franchisor.

(h) Assignment. This Note inures to and binds the heirs, legal representatives, successors, and assigns of Franchisee; provided, however, that Franchisee may not assign this Note, or assign or delegate any of its rights or obligations, without Franchisor's prior written consent in each instance. Franchisor may freely assign this Note.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first written above.

_____

[Name of Franchisee]

By: _____

Print Name: _____

Its: _____

Date: _____

Address: _____

_____

Perma Treat, Inc.

EXHIBIT L

Franchise Disclosure Document Receipts

RECEIPT

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

If Perma Treat, 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. Under Iowa or New York law, if applicable, Perma Treat, Inc. must provide this disclosure document to you at your 1st personal meeting, or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires Perma Treat, Inc. to give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Perma Treat, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Terry Rennie, Marlene Wheeler Rennie, and Michele Brickwood at Perma Treat, Inc., 118 Corporate Park Drive, Suite 117, Henderson NV 89074, phone: (877) 346-4717, or email: michele@perma-treat.com. We have inserted the name and address of any other franchise seller below (we attach additional pages if necessary):

_____

Issuance Date: April 20, 2019

See Exhibit A for Perma Treat Inc.'s registered agents authorized to receive service of process.

I have received a disclosure document dated April 20, 2019 that included the following Exhibits:

A. State Administrators / Agents for Service of Process	G. Compliance Questionnaire
B. Franchise Agreement	H. Confidentiality and Non-Compete Agreement
C. Financial Statements	I. List of Franchisees
D. Brand Standards Manual Table of Contents	J. Deposit Acknowledgment
E. Form of General Release	K. Promissory Note
F. State-Specific Addendum	L. Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign both copies of the receipt and date your signature. Please retain one copy for your records, and return the other copy to Michele Brickwood at Perma Treat, Inc., 118 Corporate Park Drive, Suite 117, Henderson NV 89074, phone: (877) 346-4717, or email: michele@perma-treat.com.

RECEIPT

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

If Perma Treat, 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. Under Iowa or New York law, if applicable, Perma Treat, Inc. must provide this disclosure document to you at your 1st personal meeting, or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires Perma Treat, Inc. to give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Perma Treat, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Terry Rennie, Marlene Wheeler Rennie, and Michele Brickwood at Perma Treat, Inc., 118 Corporate Park Drive, Suite 117, Henderson NV 89074, phone: (877) 346-4717, or email: michele@perma-treat.com. We have inserted the name and address of any other franchise seller below (we attach additional pages if necessary):

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