FRANCHISE DISCLOSURE DOCUMENT

Pirtek USA LLC
A Delaware Limited Liability Company
300 Gus Hipp Boulevard
Rockledge, Florida 32955
Telephone: (321) 701-3330
www.pirtekusa.com

The franchise offered is for the right to own and operate a PIRTEK® service and supply center business ("Business"), which will consist of the sale, custom assembly and installation of industrial and hydraulic hoses, fixed tube assemblies, fittings and related components and other distinctive products and services.

The total investment necessary to begin operation of a Tier 1 PIRTEK® franchised business is $410,300 to $899,300, which includes $155,000 to $281,000 that must be paid to the franchisor or its affiliates, and $249,400 to $557,000 for a Tier 2 PIRTEK® franchised business, which includes $80,000 to $150,000 that must be paid to the franchisor or its affiliates. If you are granted right to open and operate PIRTEK® franchised businesses under a Development Agreement, the total investment necessary to begin operations for each PIRTEK franchised business is the same as the investment disclosed above, except you will prepay the initial franchise fee of $50,000 for the first PIRTEK franchised business and $25,000 for each additional PIRTEK franchised business you agree to develop under the Development Agreement.

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, us 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 the Franchise Development Department at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 and (321) 701-3330.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide

to Buying a Franchise," which can help you understand how to use this Disclosure Document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information on franchising.

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

Issuance Date: March 30, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit 5.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit 4 includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only PIRTEK business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a PIRTEK franchisee?	Item 20 or Exhibit 5 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 1.

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

Special Risks to Consider About This Franchise

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

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

2. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

3. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate the business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

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

NOTICE REQUIRED
BY
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.

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

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

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

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

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

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

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

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from

exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48909, telephone (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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2. Development Agreement
3. Franchise Agreement with Acknowledgment Addendum, State Specific Addenda to Franchise Agreement and Appendices A (Franchised Location, Territory), B (Ownership and Management Addendum), C (Marks), D (Addendum to Lease), E (Computer Software License Agreement), F (Draft Authorization), G (Assignment of Telephone Numbers), and H (Assignment of Domain Names and E-Mail Address)
4. Audited Financial Statements
5. Franchisee and Franchisee Termination Lists
6. Form Confidentiality Agreement
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9. Form of General Release

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Item1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "PIRTEK," "we," "us" or any similar reference means PIRTEK USA LLC, the franchisor. "You," "your" or any similar reference means the person who buys the franchise. If the franchisee is a corporation, partnership or other entity, "you" may also mean its owners. Certain provisions of the franchise agreement apply to your owners and are noted in this Disclosure Document.

We are a Delaware limited liability company formed in June 1997. We have no parents or predecessors. Our principal business address is 300 Gus Hipp Boulevard, Rockledge, Florida 32955. We do business under our corporate name and PIRTEK. Our agents for service of process are disclosed in Exhibit 1 to this Disclosure Document.

We grant franchises to qualified persons for the right to own and operate a PIRTEK service and supply center business (the "Business" or "Service and Supply Center"). We also are in the business of the administration of our franchise system, which includes sourcing, purchasing and distributing Inventory Products (as defined in Item 8), which in turn you are required to purchase solely from us as described in Item 8. We started granting PIRTEK service and supply center franchises in June 1997. We have not previously offered franchises in any other line of business. As of December 31, 2022, there were 118 franchised PIRTEK businesses (Tier 1 and Tier 2 as described below).

Through an acquisition effective on December 19, 2014, we are under common ownership with Pirtek Fluid System Pty. Ltd. ("PFS"), the franchisor of the PIRTEK franchise system in Australia. PFS is an Australian company incorporated in New South Wales, Australia in December 1979. PFS' principal business address is 3-5 Garling Road, Kings Park, New South Wales 2148; telephone: (612) 8822-9000. We are not a subsidiary of PFS; PFS is an affiliate of ours for purposes of this Disclosure Document. We also have other affiliates as noted below.

As stated in Item 13 of this Disclosure Document, PFS is the owner of the PIRTEK trademarks. We and PFS are parties to a trademark license agreement under which we have the right to offer, sale and support franchisees in the United States and Canada. The trademark license agreement is further described in Item 13. PFS does not guarantee the performance of our franchise obligations, including our obligations to you. Your franchise agreement is a contract solely between you and us.

PFS does not offer or sell franchises in the United States nor does it provide any products or services to franchisees in the United States. Further, PFS has no predecessors or affiliates other than us offering or selling franchises in the United States or providing products or services to franchisees in the United States. PFS has operated the PIRTEK hose service center business in Australia since 1980, and in 1986 it began to offer PIRTEK franchises in Australia. As of December 31, 2022, there were 104 franchised PIRTEK businesses in Australia. Since 1988, PFS has granted franchise rights for the PIRTEK business and the operation of PIRTEK centers in many countries throughout the world. In all, as of December 31, 2022 there were PIRTEK hose service center businesses in a number of countries around the world, including Australia, Belgium,

England, Germany, Ireland, Kenya, Nambia, Netherlands, New Zealand, Norway, Scotland, Singapore, South Africa, Tanzania, Wales and Zambia. The PIRTEK systems in some of these countries are operated by independent, unaffiliated master licensees with no common ownership interests like exist in the United States. We have an affiliate that offers and sells franchises in Canada. Pirtek Fluid Systems (Canada) Ltd is a Canadian company formed under British Columbia law in July 2019, and its address is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8. As of the date of this Disclosure Document, it does not have any franchisees and has not offered franchises in any other line of business and has not operated any business other than as the franchisor for the PIRTEK business in Canada. We have another affiliate that offers and sells franchises in New Zealand. Pirtek New Zealand PTY LTD is a New Zealand company formed under New Zealand law in June 1994, and its address is 10 Ross Reid Place East Tamaki Auckland NZ 2013. As of December 31, 2022, it has 21 franchises in New Zealand, has not offered franchises in any other line of business and has not operated any business other than as the franchisor for the PIRTEK business in New Zealand.

As of the date of this Disclosure Document, we have the following affiliates operating a PIRTEK Business or providing products or services to franchisees:

(i) Hydraulic Hose of Virginia Beach LLC operates a PIRTEK Service and Supply Center in Virginia Beach, VA at 5760 Northampton Blvd #104. Hydraulic Hose of Virginia Beach LLC is a Virginia limited liability company formed in October 2020 with its principal business address the same as ours. Hydraulic Hose of Virginia Beach LLC has not offered franchises in any line of business and has not operated any business other than the operation of the PIRTEK Business.

(ii) Pirtek USA OEM ("OEM") is an affiliate that is a Delaware limited liability company formed on June 21, 2016. OEM provides hose assembly orders for customers with requests that franchisees would otherwise not have the capacity to handle due to resources, supply, pricing and/or potential margin, technical ability, or engineering skill, while also being a production support arm when franchisees secure a large job. OEM has the same principal business address as we do, has not offered franchises in any line of business and has not operated any business other than offer the services described above.

(iii) OPG Plus LLC ("OPG") is an affiliate that is a Delaware limited liability company formed on December 12, 2017. OPG is a reseller of products for oil, petroleum and grease clean-up. The vast majority of OPG customers are non-PIRTEK businesses, although a limited number of franchisees purchase OPG products from us. OPG's principal business address is 290 Gus Hipp Boulevard, Rockledge, Florida 32955. OPG has not offered franchises in any line of business and has not operated any business other than its reseller business.

As the franchisor of the PIRTEK System in the United States, the franchise granted to you is the right to own and operate a PIRTEK Business according to the terms of the standard PIRTEK Franchise Agreement (the "Franchise Agreement"). A copy of the Franchise Agreement is included in this Disclosure Document as Exhibit 3.

If you are approved to develop multiple new PIRTEK Businesses you will be offered and must sign a Development Agreement ("Development Agreement"), Exhibit 2 to this Disclosure

Document, which authorizes you to develop two or more Service and Supply Centers within the specified geographic area identified in the Development Agreement. Under the Development Agreement, you will be required to develop and open each PIRTEK Business in accordance with a "Development Schedule," which will set forth specific time frames to open each location.

During the operation of your Business, you will use our distinctive products and services, standards and specifications, sales and business techniques and image (the "System"), as well as the trademarks associated with the System (the "Marks") as further described in Item 13. Your Business will consist of the sale, custom assembly and installation of industrial and hydraulic hoses, fixed tube assemblies, fittings and related components and other distinctive products and services. You will operate your Business from a Service & Supply Center and mobile sales and service units ("MSSU's") (collectively referred to sometimes as the "Center") within a particular geographic territory (the "Territory"). Most franchisees will develop their Business as a Tier 1 Business, which means that you will develop and operate your Service & Supply Center in the initial months of the Business and continue to add MSSU's as your Business grows. In certain instances, we may authorize a franchisee to operate a Tier 2 Business, which means that you will initially operate two MSSUs and without a Service & Supply Center, with the requirement that you add an additional MSSU and open a Service & Supply Center within specified timeframes set forth in Appendix A to the Franchise Agreement. The Franchise Agreement for a Tier 1 Business and a Tier 2 Business is the same, except as set forth in Appendix A to the Franchise Agreement. The disclosures in this Disclosure Document apply to both a Tier 1 and Tier 2 Business, except where we include separate disclosures for each of the Tiers.

You will sell the PIRTEK products and services from your Business to a vast array of mobile and stationary (fixed) plant and equipment users within the following markets, depending on the location of your Business: earthwork and construction; industrial manufacturing; food production; materials handling; air, sea and land transport; agriculture; mineral exploration and mining; and government and utilities businesses and others.

You will compete with other businesses within the "bulk" or Original Equipment Manufacturing ("OEM") hose and fitting market. This market is very competitive and includes national and international brand product suppliers like Aeroquip, Parker Hannifan and Gates Rubber Co. Other competitors may be generally associated with rubber tire production and include Goodyear, Dunlop, Yokohama and Bridgestone.

There are no laws or regulations specific to the operation of a business featuring the sale, assembly and installation of the PIRTEK products, although there may be specific regulations applicable in some industries in which your customers operate. For example, in the food industry, stainless steel piping must be used in food processing. In addition, your Business will be subject to federal, state and local laws regarding the storage, use and disposal of hazardous materials. There also will be other local, state and federal laws applicable to your Business that apply to businesses generally, and we urge you to make further inquiries about these laws. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities.

Item2

BUSINESS EXPERIENCE

PIRTEK

Manager: Peter Duncan

Mr. Duncan has been a Manager of PIRTEK since December 19, 2014. Mr. Duncan co-founded PFS and the PIRTEK system in 1980 and has been Chairman of the Directors or Managing Director of PFS for more than the last 5 years.

Executive Chairman and Manager: Glenn Duncan

Mr. Duncan has been our Executive Chairman since January 2019. He has served as a Manager since December 2014 and was our Chief Executive Officer from December 2014 to January 2019. He has also been with PFS for more than the last five years and has served as Director since 2004 and serves as a Manager for WABUL, OEM and OPG Plus.

Chief Executive Officer and President: Kim Gubera

Ms. Gubera has been our President since August 2020 and Chief Executive Officer since January 2019. She served as our Vice President and Chief Financial Officer from January 2018 through December 2018, and our Corporate Controller from February 2016 to December 2017. Prior to joining PIRTEK, Ms. Gubera served as the Director of Finance at U.S. Lawns, Inc., based in Orlando, Florida, from August 2000 to February 2016.

Vice President: Antonia Duncan

Ms. Duncan has been our Vice President since August 2020 and has served as a Manager since January 2019. She served as a Franchise Support Coordinator for PFS from January 2016 through January 2018. Ms. Duncan has also served as an Operations Manager of OPG Plus since May 2020, and previously was the Operations Administrator of OPG Plus from March 2018 until May 2020.

Franchise Training Manager: Jamie Vokes

Mr. Vokes has been our Franchise Training Manager since January 2003 and acted as a Consultant for PIRTEK from April through December 2002.

Item3

LITIGATION

Pending Litigation:

PIRTEK USA, LLC v. James Lager and JBL Hose Service, LLC, Arbitration Before Designated Arbitrator David J. Kaufmann (Conducted By Consent Pursuant To The Commercial

Arbitration Rules of the American Arbitration Association (no assigned case number)) (Filed June 28, 2021); *In re James Bradley Lager and JBL Hose Service, LLC d/b/a Texas Hose Pro*, No. 22-03042 (United States Bankruptcy Court for the Northern District of Texas): In September of 2020, PIRTEK, a former franchisee and its owner (collectively the "Former Franchisee") entered an agreement which required that the Former Franchisee refrain from disparaging PIRTEK and from discussing the existence or terms of the agreement. After the Former Franchisee breached the agreement, PIRTEK initiated an arbitration in June of 2021 against the Former Franchisee pursuant to the arbitration provision in the agreement. At the time of the final arbitration hearing, the former franchisee and shortly thereafter its owner, filed for bankruptcy. As a result, on April 25, 2022, PIRTEK filed an adversary proceeding against the Former Franchisee. In response, the Former Franchisee asserted a variety of counterclaims, including one claiming that PIRTEK violated the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA") by somehow manipulating the former franchisee's Google Business account so that a nearby PIRTEK franchisee's address appeared under the former franchisee's new business name. In response, PIRTEK denied the allegations and filed a motion for summary judgment on the grounds that there was no evidence to support the FDUTPA claim. The Former Franchisee's response to the motion for summary judgment did not include an opposition to the argument that PIRTEK was entitled to summary judgment on the FDUTPA claim and therefore summary judgment on this baseless claim is expected. A hearing on PIRTEK's motion for summary judgment is scheduled to be heard on March 21, 2023.

Litigation Against Franchisees in the Last Fiscal Year:

During the last fiscal year, we filed the following action against a former franchisee to enforce financial obligations due to abandonment of the franchise agreement.

PIRTEK USA, LLC v. Tom King, Case Number: 01-22-0005-2646, American Arbitration Association, (December 20, 2022).

Other than these items, no litigation is required to be disclosed in this Item.

Item4

BANKRUPTCY

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

Item5

INITIAL FEES

Initial Franchise Fees

You must pay to us an Initial Franchise Fee of $50,000. For a Tier 1 Business, you must pay the Initial Franchise Fee in full when you sign the Franchise Agreement. For a Tier 2 Business, the Initial Franchise Fee of $50,000 is payable in the following installments: (i) $20,000 must be paid when you sign the Franchise Agreement; (ii) $10,000 must be paid 15 months after the Franchise Agreement is signed; (iii) $10,000 must be paid 27 months after the Franchise

Agreement is signed, and (iv) $10,000 must be paid 39 months after the Franchise Agreement is signed.

Development Fees

We may, at our discretion, grant Development Agreements. The terms of the Development Agreement are subject to negotiation. You will be required to sign the Development Agreement to develop and open one or more PIRTEK Businesses and other financial and operational commitments, as agreed upon by the parties. When you sign the Development Agreement, you must prepay all of the Initial Franchise Fees you would pay for the first Service and Supply Center you commit to develop under the Development Agreement and fifty percent (50%) of the Initial Franchise Fees for all additional Service and Supply Centers you commit to open under the Development Agreement. The fees paid pursuant to the Development Agreement will be credited toward the initial franchise fees payable by you as you develop Service and Supply Centers under the Development Agreement.

The Development Fee is calculated as follows:

	Development Fee	Balance Due Upon Signing Subsequent Franchise Agreement(s)
Development Agreement (1st Service and Supply Center)	$50,000	$0
Development Agreement (2nd and subsequent Service and Supply Centers)	$25,000 per Service and Supply Center	$25,000 per Service and Supply Center

You will be required to sign a separate Franchise Agreement for each Service and Supply Center on the dates that are determined by us before you sign the Development Agreement.

The number of you PIRTEK Businesses you will be required to develop and open will be determined before you sign the Development Agreement. The Development Fee is calculated uniformly, but the amount of the actual fee will vary based on the number of Service and Supply Centers you are required to develop.

You also must pay to us, for both a Tier 1 and Tier 2 Business, an Initial Technology Start-up Fee of $5,000 to $10,000 to cover the initial costs of the various technology licenses used to operate the Business and related start-up services. You must pay the Initial Technology Start-up Fee before you commence business operations.

Additionally, we may require you to pay an Opening Set-up Fee in an amount between $5,000 and $14,000 (this fee is not due as part of a Tier 2 Business until you convert to Tier 1 or you are an existing franchisee acquiring an additional Center). You must pay the Opening Set- up Fee on or before the first day of the initial training program. In connection with the Opening Set-up Fee, we will spend approximately 10 to 15 business days at your Center prior to opening to generally get you ready to open your Center for business.

In addition to the Initial Franchise Fee, Initial Technology Start-up Fee, and Opening Set-up Fee, you must purchase from us the opening product inventory, and certain items of the equipment, uniforms and other similar items with the PIRTEK trademark ("Other Items") for your Tier 1 Business and Tier 2 Business. The fee for the Other Items ranges from $85,600-$234,400 (Tier 1), and $51,600-$128,800 (Tier 2).

All amounts in this Item 5 are nonrefundable. Other than the Initial Franchise Fee for the Tier 2 Business, all amounts in this Item 5 are payable in a lump sum.

The combined total for those Item 5 purchases (Initial Franchise Fee, Opening Set-up Fee (Tier 1 only for new franchisees), Initial Technology Start-up Fee, and Other Items are approximately $145,600 to $291,400. The combined total for those Item 5 purchases (Initial Franchise Fee, Opening Set-up Fee (upon conversion to a Tier 1 Business), Initial Technology Start-up Fee, and Other Items for a Tier 2 Business total approximately $106,600 to $144,500. During our 2022 fiscal year, we collected amounts ranging from $76,083 to $191,834 (Tier 1) and $22,812 to $60,095 (Tier 2) for the Other Items described in this paragraph.

We participate in the Veterans Transition Franchise Initiative (commonly referred to as "Vet Fran"), which seeks to provide an opportunity for veterans who want to be in business. If you are an honorably discharged veteran of the U.S. Armed Forces, you may be eligible to receive a $15,000 discount off the Initial Franchise Fee amount due at the time you sign the Franchise Agreement for a Tier 1 Business and a $15,000 discount for a Tier 2 Business, with $5,000 deducted from the first installment of the Initial Franchise and $10,000 deducted from the amount you owe when you convert your Tier 2 Business to a Tier 1 Center.

Additionally, you may be eligible to receive a $5,000 discount off of the Initial Franchise Fee due at the time you sign the Franchise Agreement if you sign the Franchise Agreement on Discovery Day.

Item6

OTHER FEES

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Continuing License Fee	4% of your Gross Sales.	On or before the 10th day of the month following the month for which the fee is due.	See Notes 2 and 10.
Marketing Fees	1.5% - 3% of your Gross Sales.	On or before the 10th day of the month following the month for which the fee is due.	See Notes 3 and 10.

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Local Marketing	0.375% - 0.75% of your Gross Sales.	When due.	See Note 4.
Transfer Fee	$25,000	At time of transfer.	See Note 6. Also see Item 17 for additional information on transfer requirements.
PIRTEK Meetings	Will vary under the circumstances.	When incurred.	You must pay all travel, living and other expenses while attending PIRTEK meetings, which will include an annual national conference and regional meetings. We may charge a conference fee payable to us to cover some of the meeting costs, although you also will pay some of those charges directly to third parties.
Audit and Recordkeeping Costs	Will vary under the circumstances.	After inspection or audit.	Audits and inspections generally will be at our expense. If, however, an audit is made necessary by your failure to furnish reports, financial statements, tax returns or schedules as required under the Franchise Agreement, or if any audit or

Type of Fee	Amount (See Note 1)	Due Date	Remarks
			inspection reveals that you have understated or underreported Gross Sales, Continuing License Fees, Marketing Fees or other amounts owed to us by an amount greater than 4%, in addition to the amounts owed to us, you must reimburse us for the cost and out-of-pocket expenses of the inspection or audit.
Interest Expenses	Will vary under the circumstances.	When due.	See Note 5.
Renewal Fee	$2,500	Renewal of license.	See Note 6. See Item 17 for more information on renewal requirements.
Technology Fee	$660 - $2,550 per month.	When due.	Range covers the minimum of 3 Syteline licenses needed for a Tier 1 Center and the minimum of 2 Syteline licenses needed for a Tier 2 Center. Range also includes the minimum of 2 Pmobile licenses needed for a Tier 2 Center and the minimum of 4 Pmobile licenses needed for a Tier 1 Center. Amounts

Type of Fee	Amount (See Note 1)	Due Date	Remarks
			due to us and third party suppliers for software services, mobile technology, cyber security, and other communication lines and technology services. These fees may increase as the Computer System changes. See Item 11 for more information on computer network system requirements.
Insurance	$2,000 - $10,000 annual premium for liability insurance only; plus other annual premiums ranging from $4,000 - $30,000 or more, which will vary under the circumstances.	When premiums are due.	See Note 7
Center Relocation Assistance Fee	$2,000	When incurred.	Required only if you request our assistance in connection with the relocation of your Business.
Remodeling Expenses	A maximum of $5,000 per year for each year that you operate the Business under the Franchise Agreement.	When incurred.	The $5,000 amount will be adjusted annually in accordance with any annual change in the National Consumer Price Index. The $5,000 per year limitation does not

Type of Fee	Amount (See Note 1)	Due Date	Remarks
			apply to modernization requirements upon renewal.
Costs and Attorneys' Fees	Will vary under circumstances.	When incurred.	You must pay us for our costs and attorneys' fees in obtaining injunctive or other relief for the enforcement of the Franchise Agreement.
Dispute Resolution	$5,000	When incurred.	See Note 8.
Penalty for Not Returning Manual	$10,000	At the time of your failure to return the Manual upon termination or expiration.	Only payable if you refuse to return the Manual at time of termination or expiration.
Territory Infringement Fee	Fee can range from the gross profit or full invoice amount for the work (depending on the nature of the infringement up to 2-5 times the full invoice amount for intentional or subsequent infringements	Payable when invoiced.	See Note 9
Tracking System Services Fee	$100 per van, per month. See Note 11.	Monthly	We require you to install and use a GPS tracking system in each MSSU.
Customer Service Fee (Optional-upon your request for special product/job or similar items)	Up to 20% of the total cost of the product/job	When incurred	For non-Inventory Product items, we or an affiliate may provide certain administrative, technical,

Type of Fee	Amount (See Note 1)	Due Date	Remarks
			inspection, advisory and other services in return for a fee.
Insufficient Funds Fee for ACH Draft For Monies Due to us or our Affiliates	1% of total amount attempted to draft, or $300, whichever is greater.	When incurred.	See Note 10

Notes:

(1) Except where otherwise noted, all fees are payable to us and are not refundable.

(2) "Gross Sales" means the total revenues and receipts from the sale of all products or services, whether the orders for products or services originated from or were accepted at or from the Business or at any other place. "Gross Sales" are net of any applicable sales tax and any sales credits.

(3) We will determine annually the exact percentage of Gross Sales for the monthly Marketing Fee. The Marketing Fee for our 2023 fiscal year (January 2023 through December 2023) is 1.5%. See Item 11 for more information on marketing.

(4) The local marketing requirement will be 25% of the amount of the Marketing Fee for any given year. Your local advertising expenses may be paid directly to third parties, although we may require you to provide us by January 31 each year with an accounting of the monies that you have spent for the preceding year on approved local marketing, as further described in Item 11.

(5) All rates owed to us by you will bear interest computed using a fluctuating interest rate equal to the interest rate per annum publicly announced by the Wall Street Journal as the "prime" rate (currently the prime rate is the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks) as effective on the last day of the prior month plus 2% per annum, or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual thereof.

(6) The transfer fee of $25,000 and renewal fee of $2,500 are subject to increase each year based on the annual change in the Consumer Price Index as reported by the U.S. Department of Labor. If you are selling more than one Center, the transfer fee is $25,000 for each Center/franchise.

(7) You must maintain in force general comprehensive liability insurance in a minimum amount and with the type of coverage we designate from time to time and depending on market conditions (currently, this is at least $3,000,000 combined single limit per occurrence). We estimate that the average annual premium for this insurance coverage will be approximately $2,000 - $10,000 or more. Additionally, you must purchase and maintain

in full force and effect business interruption insurance for actual losses sustained. You also must maintain in force insurance covering operation or maintenance of any building, equipment, MSSU motor vehicles that you own or lease in connection with your Business and any other insurance required by local, state or federal law. Insurance premiums for building, equipment and motor vehicles and other insurance required by law can vary dramatically depending on the type of building, equipment or vehicle and the state in which your Business is located, but the premiums should range from $4,000 - $30,000 or more. We may reasonably increase the minimum liability protection requirement annually and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards in public or product liability litigation or other relevant changes in circumstances. Premiums are payable in amounts and at times as required by your insurers. You must submit all insurance coverage for our approval at least 14 days before you obtain possession of the Business premises. All insurance policies must name us as an additional insured and must provide that we will receive 30 days' prior written notice of amendment, termination, expiration or cancellation of any policy. You must submit to us each year a copy of the certificate or other evidence of the issuance, renewal or extension of each insurance policy. If you fail to maintain the required insurance, we may obtain it on your behalf and you must reimburse us for costs incurred and premiums paid.

(8) Before you or we can initiate arbitration or litigation in connection with a dispute under the Franchise Agreement, you will meet on an individual basis, with a member of our executive team, within two weeks of a request for such meeting. You are responsible for your own costs and expenses with respect to the meeting. If a party refuses to participate in the meeting, the refusing party must pay $5,000 to the other.

(9) If you conduct business in the territory or promotional zone of another PIRTEK franchisee or the territory of a corporate or affiliate center without written authorization and in violation of our then-current territory infringement policy, we reserve the right to charge you a territory infringement fee per our then current territory infringement policy, which currently is part of our Operations Manual. Infringement is also a default under your Franchise Agreement. We reserve the right to change our territory infringement policy, as well as any fees assessed, from time to time.

(10) You must sign a draft authorization for your business bank account. A current copy of the draft authorization is included as Appendix F to the Franchise Agreement. The draft authorization permits us to draw from your account all amounts due and payable to us.

(11) We require that you install and use a tracking system in each of your vans, using a third party vendor as we designate. At the time of this Disclosure Document the vendor has not been established, and the fees will be established by such vendor, which we approximate will be up to $100 per month, per van.

Item7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (TIER 1 BUSINESS)

Type of Expenditure	Amount (See Note 1)	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$50,000 See Note 2	Lump sum	When you sign the Franchise Agreement	Us
Opening Set-up Fee	$5,000 to $14,000 See Note 3	Lump sum	First day of training	Us
Initial Technology Start-up Fee & Computer System	$5,000 to $10,000 for the Initial Technology Start-up Fee; $3,000-$5,000 for the Computer System See Note 4	Lump sum	Before opening	Us for the Initial Technology Start- up Fee; Third parties for the Computer System
Training	No separate fee for initial training because it is included in the Initial Franchise Fee; $5,000 to $15,000 for expenses (which is $1,000 to $3,000 per person for travel and living expenses during training) See Note 5	As incurred	Before opening	Third parties for travel and living expenses

Type of Expenditure	Amount (See Note 1)	Method of Payment	When Due	To Whom Payment is to be Made
Leasehold Improvements	$5,000 to $37,000 See Note 6	As incurred	As incurred	Third parties
Signs and Shop Equipment	$56,000 to $80,000 See Note 7	Lump sum or installments if leased	Before opening	Us or authorized third parties
Mobile Sales & Service (MSS) Units	$64,000 to $270,000, with $0 (if leased) to $87,000 paid to us for the MSSU equipment See Note 8	Lump sum or installments if leased	Before opening	Authorized third parties, although equipment to outfit MSSU purchased from us unless you acquire through a lease
Tracking System	$300	As incurred	As incurred	Authorized third party
Prepaid Rent and Security Deposit	$2,000 to $5,000 See Note 9	Lump sum	Before opening	Landlord
Opening Inventory	$95,000 to $120,000	As incurred	Before opening	Us and authorized third parties
Insurance Premiums	$20,000 to $40,000 See Note 10	As incurred	Before opening	Insurance companies
Utility Deposits and Business Licenses	$1,000 to $3,000 See Note 11	As incurred	Before opening	Third parties
Attorneys' Fees	$2,000 to $5,000 See Note 12	Lump sum	As incurred	Attorney
Additional Funds – 5 Months	$100,000 to $250,000 See Note 13	As incurred	Before opening and as incurred	Employees, third parties, etc.

Type of Expenditure	Amount (See Note 1)	Method of Payment	When Due	To Whom Payment is to be Made
TOTAL See Note 14	$410,300 to $899,300			

Notes:

(1) This first table in Item 7 includes the *estimated minimum* requirements for beginning operations for a Tier 1 PIRTEK Business. The estimated minimum requirements will vary depending on factors like your financial condition and the arrangements and business decisions you make.

Except where otherwise noted, all fees that you pay to us are nonrefundable. Third-party lessors and suppliers will decide if payments to them are refundable.

(2) See Item 5 for additional information on the Initial Franchise Fee and circumstances when the Initial Franchise Fee is refundable. If you sign a Development Agreement, you must prepay the Initial Franchise Fees you would pay for the first Service and Supply Center you commit to develop and fifty percent (50%) of the Initial Franchise Fee for each additional Service and Supply Center you commit to develop under the Development Agreement upon signing the Development Agreement, which amounts will be credited toward the Initial Franchise Fees payable by you as you develop Service and Supply Centers under the Development Agreement. You will be required to sign a separate Franchise Agreement for each Service and Supply Center. The Initial Franchise Fees, Development Fees, and their refund policies are described in Item 5.

(3) See Item 5 for additional information on the Opening Set-up Fee and circumstances when the Opening Set-up Fee is refundable.

(4) See Item 5 for additional information on the Initial Technology Start-up Fee and circumstances when the Initial Technology Start-up Fee is refundable. The amount of this fee varies based on factors unique to your business (such as strength of internet connection and others) that may necessitate special hardware or other unique components to achieve a network connection.

(5) See Item 11 for additional information on training.

(6) The PIRTEK Center premises for a Tier 1 Business will ordinarily be leased rather than owned. We estimate that the average center will have approximately 2,000 - 4,000 square feet or more. Your initial investment for leasehold improvements will vary depending upon local labor costs and whether the building is a completed structure immediately adaptable to installation of necessary fixtures and equipment or a location where construction is in progress. These variables affect how different obligations will be distributed between landlords and tenants under different lease agreements and the costs of acquisition and construction. We must approve all leasehold improvements prior to construction. Although

the cost of leasehold improvements will vary depending upon the above-described factors, we estimate that the average cost of leasehold improvements will range between $5,000 and $37,000 or more.

(7) Your investment in signs and equipment is highly variable for your PIRTEK Center. The investment depends to a great extent on the size and location of your proposed center, local labor costs, current prices charged by equipment suppliers, discretionary expenditures, inflation, financing costs and similar factors beyond our or your control.

In order to ensure uniform quality of products and services throughout the PIRTEK system, you must purchase or lease signs and equipment that we have approved. We estimate that under average conditions you may expect to incur costs for these items between $71,551 and $107,400 or more.

The parties will determine the precise amount of any initial or periodic equipment payments at the time of the transaction. The payments ordinarily are not refundable. Investment obligations beyond the initial cash outlay requirements will be necessary and you may finance at your discretion. Market forces will determine loan repayment totals and interest on borrowings will be determined by market forces at the time of any financing transaction.

(8) We require that you operate a minimum of 2 MSSUs for a Tier 1 Business but recommend 3 MSSUs when you open your Business. You must purchase or lease the MSSUs from approved third-party suppliers and outfit them with approved MSSU equipment purchased from us in the limited instances when you pay cash for the MSSUs rather than lease the MSSUs from approved third-party suppliers.

(9) You usually will be required to pay one-month base rent as a security deposit to the landlord. We estimate that for a PIRTEK center having 2,500 square feet the rental obligations will be approximately $8.00 - $16.00 or more per square foot base rent per year, although in certain parts of the country the security deposit and lease rates may be more. Leases also usually impose an obligation toward maintenance costs, insurance charges, real estate taxes and special assessments, utility charges, water and sewer charges, security charges, and other similar charges.

(10) See Item 6 for additional information on insurance.

(11) This amount includes utility deposits and business licenses. Deposits are generally refundable, but license fees are not.

(12) This amount is an estimate for attorneys' fees in connection only with your purchase of the franchise.

(13) This amount estimates your initial pre-opening and start-up expenses not otherwise mentioned in the Table, including advertising, employee wages, taxes, and telephone hook-up. The amounts are estimates based on our estimate of average costs and market conditions prevailing as of the date of this Disclosure Document and our 24 years of experience in the Business. We cannot guarantee that you will not have additional expenses

starting your Business. Your costs will depend on factors such as how much you follow our systems and procedures, your management skills and experience, your business skills, local economic conditions, the local market for the PIRTEK Business, the prevailing wage rate, competition and the sales level reached during the initial period.

(14) This total is an estimate of your initial investment for a Tier 1 Business and is based upon our estimate of average costs and market conditions prevailing as of the date of this Disclosure Document and our 24 years of experience in the Business. You should review this amount carefully with a business advisor before making any decision to purchase the franchise. You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must bear any deviation or escalation in costs from the estimates in this Item 7 or estimates that we give during any phase of the development process.

YOUR ESTIMATED INITIAL INVESTMENT (TIER 2 BUSINESS)

Type of Expenditure	**Amount (See Note 1)**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Franchise Fee	$50,000 See Note 2	Installments See Note 2	(i) When you sign the Franchise Agreement; (ii) 15 months after the Franchise Agreement is signed; (iii) 27 months after the Franchise Agreement is signed, and (iv) 39 months after the Franchise Agreement is signed. See Note 2	Us
Initial Technology Start-up Fee & Computer System	$5,000 to $10,000 for the Initial Technology Start-up Fee; $3,000-$5,000	Lump sum	Before opening	Us for the Initial Technology Start- up Fee; Third parties for

Type of Expenditure	Amount (See Note 1)	Method of Payment	When Due	To Whom Payment is to be Made
	for the Computer System See Note 3			the Computer System
Training	No separate fee for initial training because it is included in the Initial Franchise Fee; $2,000 to $6,000 for expenses (which is $1,000 to $3,000 per person for travel and living expenses during training) See Note 4	As incurred	Before opening	Third parties for travel and living expenses
Mobile Sales & Service (MSS) Units	$64,000 to $180,000, with $0 (if leased) to $58,000 paid to us for the MSSU equipment See Note 5	Lump sum or installments if leased	Before opening	Third parties, although equipment to outfit MSSU must be purchased from us
Tracking System	$300	As incurred	As incurred	Authorized third party
Prepaid Rent and Security Deposit	$700 to $3,000	Lump sum	Before opening	Landlord
Opening Inventory	$55,000 to $62,000	As incurred or financed See Note 2	Before opening	Us and authorized third parties
Insurance Premiums	$20,000 to $40,000 See Note 6	As incurred	Before opening	Insurance companies

Type of Expenditure	Amount (See Note 1)	Method of Payment	When Due	To Whom Payment is to be Made
Utility Deposits and Business Licenses	$400 to $700 See Note 7	As incurred	Before opening	Third parties
Attorneys' Fees	$2,000 to $5,000 See Note 8	Lump sum	As incurred	Attorney
Additional Funds – 5 Months	$50,000 to $200,000 See Note 9	As incurred	Before opening and as incurred	Employees, third parties, etc.
TOTAL See Note 10	$249,400 to $557,000			

Notes:

(1) The second table in Item 7 are the *estimated minimum* requirements for beginning operations for a Tier 2 PIRTEK Business. The estimated minimum requirements will vary depending on factors like your financial condition and the arrangements and business decisions you make.

Except where otherwise noted, all fees that you pay to us are nonrefundable. Third-party lessors and suppliers will decide if payments to them are refundable.

(2) See Item 5 for additional information on the Initial Franchise Fee and circumstances when the Initial Franchise Fee is refundable. Item 10 describes the financing that may be available for the Initial Franchise Fee and Opening Inventory. Item 5 describes the Tier 2 Initial Franchise Fee Installments which amounts must be paid as follows: (i) $20,000 must be paid when you sign the Franchise Agreement; (ii) $10,000 must be paid 15 months after the Franchise Agreement is signed; (iii) $10,000 must be paid 27 months after the Franchise Agreement is signed, and (iv) $10,000 must be paid 39 months after the Franchise Agreement is signed. If you sign a Development Agreement, you must prepay the Initial Franchise Fees you would pay for the first Service and Supply Center you commit to develop and fifty percent (50%) of the Initial Franchise Fee for each additional Service and Supply Center you commit to develop under the Development Agreement upon signing the Development Agreement, which amounts will be credited toward the Initial Franchise Fees payable by you as you develop Service and Supply Centers under the Development Agreement. You will be required to sign a separate Franchise Agreement for each Service and Supply Center. The Initial Franchise Fees, Development Fees, and their refund policies are described in Item 5.

(3) See Item 5 for additional information on the Technology and Computer Connection Fee and circumstances when the Technology and Computer Connection Fee is refundable. The amount of this fee varies based on factors unique to your business (such as strength of internet connection and others) that may necessitate special hardware or other unique components to achieve a network connection. Item 10 describes the financing that may be available.

(4) See Item 11 for additional information on training.

(5) We require that you operate a minimum of 2 MSSUs when you open your Business. You must purchase or lease the MSSUs from approved third-party suppliers and outfit them with approved MSSU equipment purchased from us in the limited instances when you pay cash for the MSSUs rather than lease the MSSUs from approved third-party suppliers. If leased, you typically will pay a down payment of up to 10% for two fully outfitted vans.

(6) See Item 6 for additional information on insurance.

(7) This amount includes utility deposits and business licenses. Deposits are generally refundable, but license fees are not.

(8) This amount is an estimate for attorneys' fees in connection only with your purchase of the franchise.

(9) This amount estimates your initial pre-opening and start-up expenses not otherwise mentioned in the Table, including advertising, employee wages, taxes, and telephone hook-up. The amounts are estimates based on our estimate of average costs and market conditions prevailing as of the date of this Disclosure Document and our 24 years of experience in the Business. We cannot guarantee that you will not have additional expenses starting your Business. Your costs will depend on factors such as how much you follow our systems and procedures, your management skills and experience, your business skills, local economic conditions, the local market for the PIRTEK Business, the prevailing wage rate, competition and the sales level reached during the initial period.

This total is an estimate of your initial investment for a Tier 2 Business and is based upon our estimate of average costs and market conditions prevailing as of the date of this Disclosure Document and our 24 years of experience in the Business. You should review this amount carefully with a business advisor before making any decision to purchase the franchise. You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must bear any deviation or escalation in costs from the estimates in this Item 7 or estimates that we give during any phase of the development process. You also will incur additional investment costs when you later add your third MSSU and develop and open your Center as part of your conversion from a Tier 2 Business to a Tier 1 Business. Some of those costs could be higher than the costs included in the Tier 1 Business table in this Item 7 as of the date of this Disclosure Document. If a Tier 2 Business converts to a Tier 1 Business before all installments of the Tier 2 Initial Franchise Fee have been paid, the remaining unpaid installments will be due at the time of conversion .

Item8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To help assure a uniform image and uniform quality of products and services in all PIRTEK businesses, you must maintain and comply with our quality standards. Although you are not required to purchase or lease real estate from us, you must improve and equip the building from which you operate your Business in accordance with our then current approved design specifications and standards. In addition to meeting our design specifications and standards, it is your responsibility to ensure that your building plans comply with the Americans with Disabilities Act and all other federal, state and local laws. You also must use equipment (which includes MSSUs and hardware and software for the Technology, a computerized record-keeping system), signage, fixtures, furnishings, products, supplies and marketing and sales promotion materials that meet our specifications and standards.

The Franchise Agreement requires you to sell or use only those products and services that we have approved in writing. The purpose of this requirement is to ensure that all franchisees adhere to the uniformity requirements and quality standards associated with PIRTEK businesses. We are the only approved supplier of inventory products for resale to customers ("Inventory Products"). You must purchase designated Inventory Products from us, except in the limited instances to satisfy a customer's immediate demands as described in the PIRTEK Operations Manual. The Inventory Products include hydraulic, industrial and specialty hoses, hose fittings, adapters and accessories. We have the right to add to, supplement, or modify the Inventory Products that you are required to purchase. In addition, we are the only approved supplier for the equipment necessary to outfit the MSSUs and all non-inventory items that contain the PIRTEK Marks. As of the date of this Disclosure Document, those items that contain the PIRTEK Marks include uniforms, printed forms like customer invoices and stationery, and promotional items like caps and pins, although this list may change during the term of the license granted in your Franchise Agreement. We also are the only approved supplier for some of the equipment necessary for the Technology, including the proprietary and other software, modem, printer and printer accessories.

Upon request, we will periodically provide you with a list of approved suppliers for fixtures, equipment and other non-inventory items. We may modify the standards and specifications for these items from time to time. Except for designated Inventory Products, proprietary software and certain hardware components and other items that contain the PIRTEK Marks, you may make written request for approval of a specific item of an additional qualified vendor or supplier. We may grant our approval of the item if doing so will not create an inordinate number of vendors/suppliers (usually not more than 2) of the item. In addition, each vendor/supplier of a product must meet the following requirements: its item must comply with the applicable specifications and/or standards; the vendor/supplier's facilities must be adequate to meet the needs of franchisees; and the vendor/supplier and its facilities must be accessible to periodic PIRTEK evaluation. We may charge the cost of evaluating a proposed new vendor/supplier and/or its item to you or the vendor/supplier. We do not make these specifications and/or standards generally available to franchisees or vendors/suppliers.

You must initiate the formal approval process to have a specific non-inventory item of an additional vendor/supplier approved (other than those items that contain the PIRTEK Marks). As part of this approval process, we may request the vendor/supplier to sign a confidentiality agreement and submit to us a sample of its specific item. We or a suitable testing facility or laboratory designated by us then will conduct tests and evaluations of the sample to determine whether the product conforms with the specifications and/or standards. We will notify the vendor/supplier of our evaluation results by mail usually within 180-270 days after our receipt of the sample. The vendor/supplier also may be required to sign an applicable supplier agreement. We may revoke our appointment if the vendor/supplier is in violation of any of the terms of the applicable supplier agreement or if we determine in our good faith but exclusive judgment that the vendor/supplier is not meeting the standards and specifications that we have established for that item or service.

In addition to purchasing approved products, you must install and use our designated Technology. The Technology contains required hardware and software components. You must acquire the proprietary software and certain parts of the hardware components from us. Our current Technology is CloudSuite Industrial (SyteLine), which is an Enterprise Resource Planning (ERP) software package that all PIRTEK Centers will utilize to run their business operations. SyteLine is created and sold by Infor, which is a multi-national enterprise software company headquartered in New York, NY. You also must purchase and maintain insurance in amounts and types of coverage that we designate periodically, as described in Item 6, and any other insurance required by law or any agreement related to the franchise business. You must name us as an additional insured on all liability policies. You must furnish to us copies of all insurance policies. You may use only marketing and promotional materials that we have approved.

During the 2022 fiscal year, we derived revenue of $29,745,022 from the sale of Inventory Products, Technology Fees and other items described in this Item 8, or 84% of our total revenues of $35,464,702 as noted in our 2022 audited financial statements included as an Exhibit to the Disclosure Document. This number includes revenue from Inventory Products sold by company-owned centers to end users. We derive revenue from the sale of Inventory Products and other non-inventory items to you by charging more than our wholesale purchase price from the manufacturers. You will pay the then-current price in effect at the time for the Inventory Products and other non-inventory items. In many instances, the cost of the Inventory Products and other non-inventory items to you may be higher than the cost of other hoses or other similar products on the market. We reserve the right to receive rebates and similar payments from approved suppliers based on franchisee purchases. During the 2022 fiscal year, the revenue we derived for rebates was $26,983 or .076% of our total revenues of $35,464,702, although none of these rebates were related to Inventory Products that you must purchase from us. In addition, during the 2022 fiscal year, our affiliate, Pirtek USA OEM, LLC, derived total revenue of $66,006 from the sale of products directly to franchisees based on the affiliates' unaudited financial records.

From time to time, we or another vendor or supplier may be the only approved supplier for non -Inventory Product items because of the lack of requests for approval of alternative vendors or supplies. For those non-Inventory Product items, we or an affiliate may provide certain administrative, technical, inspection, advisory and other services and data to certain suppliers in return for a fee as a result of transactions with franchisees, and this fee may range from 0% to 20% of the suppliers' sales to franchisees. We may be able to occasionally negotiate with third-party

suppliers so that the suppliers may offer their products or services to franchisees at favorable or discount prices.

We estimate that your purchase of equipment, products, supplies and marketing materials from us or that meet our specifications and standards will represent approximately 65% to 75% or more of the cost to establish the franchise business, and 15% to 25% or more of the cost to operate the franchise business on an ongoing basis.

Other than the franchisor and our affiliates, no officer of the franchisor has an ownership interest in any approved supplier to franchisees, although one individual with management or policy-making authority for the franchisor has a minority ownership interest in one of the manufacturers that supplies products to the franchisor (this manufacturer is not a supplier from whom franchisees purchase products, as those products are purchased directly from us).

There currently are no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms), for the benefit of the franchise system. When your franchise is up for renewal, or you apply for an additional franchise, among the factors we consider are your compliance with your Franchise Agreement and support of our programs and policies, which would include compliance with the requirements described in this Item 8. Other than those instances, we do not provide material benefits to you based upon your purchase of particular products or services or use of particular suppliers.

Item9

FRANCHISEE'S OBLIGATIONS

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

Obligation		Section in the Franchise Agreement (FA) or Development Agreement (DA)	Disclosure document item
a.	Site selection and acquisition/lease	FA-Sections 2, 5A DA-Section 3	Items 1, 7, 11, and 12
b.	Pre-opening purchases/lease	FA-Sections 5A, 6A-B DA-Section 3	Items 5, 7, and 8
c.	Site development and other pre- opening requirements	FA-Sections 2, 5A DA-Section 2	Items 7 and 11
d.	Initial and ongoing training	FA-Sections 7B, 7D DA-Section 3.4	Items 6 and 11

Obligation		Section in the Franchise Agreement (FA) or Development Agreement (DA)	Disclosure document item
e.	Opening	FA-Sections 2, 5A DA-Sections 1.1.1, 3	Items 5 and 11
f.	Fees	FA-Sections 8A-C, 9A-C DA-Sections 2, 3.5	Items 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	FA-Sections 5A-F, 6A-N, Appendix E (Computer Software License Agreement) DA-Sections 3.2, 3.3, 3.7, 3.8	Items 11 and 16
h.	Trademarks and proprietary information	FA-Sections 3A-E, 6C, 6E, 12A, Appendix E (Computer Software License Agreement) DA-Sections 1.3, 3.3.9, 5	Items 13 and 14
i.	Restrictions on products/services offered	FA-Sections 2, 6A-B DA-Section-Not applicable	Items 8, 11 and 16
j.	Warranty and customer service requirements	FA-Sections 6A, 6D, 6L, 6M DA-Section-Not applicable	Item 16
k.	Territorial development and sales quotas	FA-Section 2 DA-Sections 1, 3, 4	Item 12
l.	Ongoing product/service purchases	FA-Sections 6A-C DA-Section-Not applicable	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	FA-Sections 5A-F DA-Section-Not applicable	Items 6 and 11
n.	Insurance	FA-Section 10B DA-Section 3.3.4	Items 6 and 8
o.	Advertising	FA-Sections 9A-B DA-Section-Not applicable	Items 6, 7 and 11

Obligation		Section in the Franchise Agreement (FA) or Development Agreement (DA)	Disclosure document item
p.	Indemnification	FA-Section 10B, Appendix A DA-Section 10	None
q.	Owner's participation/ management/staffing	FA-Sections 7A-D DA-Section 3	Items 11 and 15
r.	Records/reports	FA-Sections 8C-E DA-Section 11.2.1	Item 6
s.	Inspections/audits	FA-Sections 6F, 8E DA-Section-Not applicable	Item 6
t.	Transfer	FA-Sections 14A-E, 15 DA-Section -6	Items 6 and 17
u.	Renewal	FA-Section 4 DA-Section-Not applicable	Items 6 and 17
v.	Post-termination obligations	FA-Sections 10C, 12A-B DA-Sections 5.3, 8	Item 17
w.	Non-competition covenants	FA-Section 10C DA-Section 5.3	Item 17
x.	Dispute resolution	FA-Sections 13A-D DA-Section 11	Item 17
y.	Other	Not applicable	Not applicable

Item10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your notes, leases or obligations.

Item11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, PIRTEK is not required to provide you with any assistance.

Development Agreement

Before you sign the Development Agreement, we will determine the Development Area, the number of Service and Supply Centers you must develop and the development schedule. (See Schedules to Development Agreement). You may not establish a Service and Supply Center anywhere outside of your Development Area. If you fail to meet your obligations under the Development Agreement, we have the right to terminate your Development Agreement.

Before beginning construction of each Service and Supply Center, under the terms of the Development Agreement, we will loan to you, or make available through digital means, one copy of our confidential Operations Manual for the Business, containing mandatory and suggested specifications, standards and operating procedures for the Business (Section 3.3.1 of the Development Agreement).

In addition to granting you the right to establish a specific number of Service and Supply Centers under your Development Agreement, and providing or loaning you with the Operations Manual for the Business for the Center, unless otherwise stated, we will provide you with the assistance described below for each Center you must open.

Franchise Agreement

Pre-opening Assistance. Before you operate your Business in a Territory, we will

(1) Grant to you a license to operate your Business in a Territory (Section 2 of the Franchise Agreement).

(2) Provide training as described below in this Item 11 (Section 7B of the Franchise Agreement).

(3) Loan to you, or make available through digital means, one copy of our confidential Operations Manual for the Business, containing mandatory and suggested specifications, standards and operating procedures for the Business (Section 6C of the Franchise Agreement).

Ongoing Assistance. During the operation of your Business, we will

(1) Furnish you from time to time with updated and revised material for our confidential Operations Manual (Section 6C of Franchise Agreement).

(2) Evaluate your Business, which may include reviewing your overall performance and financial results and accompanying you on sales or service calls (Section 6D of the Franchise Agreement).

(3) Establish and conduct various marketing and sales promotion programs (Sections 9A-B of Franchise Agreement).

(4) In addition, we may, from time to time, make suggestions to you with regard to your pricing policies. We also reserve the right to establish minimum and maximum prices you may charge in the operation of the Business to the extent permitted by applicable law. In addition, we have the right to negotiate Strategic Account arrangements, including pricing which will bind all Businesses providing services to such Strategic Accounts. (Section 6.N of the Franchise Agreement).

Marketing Programs. You must pay Marketing Fees to us in an amount equal to 1½ % to 3% of Gross Sales for marketing and promotion programs to promote the PIRTEK System and products. All franchisees in a designated marketing area ("DMA") must contribute Marketing Fees at the same rate, and we or our affiliates will contribute Marketing Fees at the same rate for company or affiliate-owned centers in a particular DMA. We will notify you annually of the exact percentage of Gross Sales for the monthly Marketing Fee, except for any year in which it will remain unchanged. We may formulate, develop, and conduct marketing and promotion programs in a form and media we determine to be appropriate. Media used for marketing programs includes written publications and promotional pieces, and also may include television and radio in the future. We reserve the right to use the Marketing Fees to reimburse us for all costs that we incur related to the marketing and promotion programs, including the proportionate compensation of employees who devote time and render service in the conduct, formulation, development, production and administration of the marketing and promotion programs.

In addition to the Marketing Fees paid to us, you must spend at least an amount equal to ½ of your Marketing Fee on approved local marketing. You must submit all local marketing materials to us for our approval prior to use. Your general conduct on any web site or other on- line communication and specifically your use of the PIRTEK Marks or any advertising on a web site (including any domain names) or other communications is subject to our approval. We will not unreasonably withhold approval of any marketing materials that you propose to use, if your materials are factually accurate and current, conform to the highest standards of ethical marketing, and are in good condition and accurately depict the PIRTEK Marks. On or before January 31 of each year, we may require you to submit to us an accounting of the monies you have spent for the preceding year, together with copies/proof of all marketing. As of the date of this Disclosure Document, there are no advertising cooperatives.

We have no obligations to spend any amount on marketing in the area or Territory where you are located. For Marketing Fees not spent in any fiscal year, the excess will be carried over for future use. The Marketing Fees are not held in a trust or escrow account. You have no property rights of any kind with respect to the Marketing Fees, and we do not have any fiduciary obligations to you or other franchisees regarding the Marketing Fees. In addition, from time to time, we may loan money to assist in funding certain marketing programs, which money will be repaid out of the Marketing Fees with interest to us. During our 2022 fiscal year, use of the Marketing Fees was as follows:

Sponsorships	44%
Marketing Fund Rebate Program	19%
Media	17%

Agency	10%
Corporate Marketing Support	3%
Software	2%
Charity	2%
Trade Show	2%
Contests	1%
Total	100 %

Upon request, we will provide you with an unaudited financial report showing receipts and disbursements of the Marketing Fees. The Marketing Fees will not be used for advertising principally directed at the sale of franchises.

Technology Fee. You must install and use our designated computer system ("Computer System"), which currently costs approximately $3,000 to $5,000 in addition to the Initial Technology Start-up Fee noted below. This system may be modified from time to time in response to business, operations and marketing conditions (Section 6.J of Franchise Agreement). In connection with the Computer System/Technology (as defined below), you must sign a Computer Software License Agreement, a copy of which is included as Appendix E to the Franchise Agreement. As of December 31, 2022, the Computer System includes the following components:

(1) The PC compatible hardware component, printer and its accessories.

(2) The printer requirements include one PCL5 or PCL6 laser printer (network capable).

(3) The required proprietary and other software for the Computer System ("Technology"), which consists of the proprietary SyteLine software system, which is an enterprise class software package designed for use in distribution companies. Syteline is built and deployed on Microsoft.NET technology platform and comprises "Windows Server" as the base operating system, SSQL Server as the underlying database, and a Microsoft.NET framework of core native Microsoft technologies to deliver the application.

You will have remote access to the Computer System/Technology by a PC that is linked to our own computer server located in Florida. You will have access to your own database, which is stored on our Franchise Service Center computer server. You will be able to access all of your own business information, update existing information, produce reports, and view our Franchise Service Center's product inventory. We will have independent access to all of this information for your center with no contractual limitation on our right to the information.

The Computer System/Technology is utilized by all PIRTEK Centers. SyteLine is created and sold by Infor, which is a multi-national enterprise software company headquartered at 641 Avenue of the Americas New York, NY 10011 tel.no. +1 646 336 1700.

You must pay an Initial Technology Start-up Fee of $5,000 to $10,000 and a monthly Technology Fee between $660-$2,550. The annual cost of maintenance and support for the Computer System/Technology will be shared on a pro-rated basis by you and all other end-users in the PIRTEK system. We will provide the maintenance and support. In addition, you are contractually obligated to pay the vendor for any upgrades or updates with no contractual limitation on the frequency or cost of the obligation, including upgrades that may link a mobile based computer on your MSSUs with the Computer System/Technology. Currently, we estimate the total annual maintenance upgrade and support obligations to cost approximately $7,920 - $24,000.

Site Selection. If you have not secured a location approved by us before you sign your Development Agreement or Franchise Agreement, as applicable, you must do so and construct and open the Service and Supply Center for business within 120-days from the date you sign the Development Agreement and Franchise Agreement. You must construct the location in accordance with our standards and the requirements in the Development Agreement and the Franchise Agreement. If you fail to open the Service and Supply Center within 120-days from the date you sign the Development Agreement, we reserve the right have the right to terminate or modify the Development Agreement including the Development Area. Such failure to comply with the Development Agreement may also result in a termination of your Franchise Agreement.

We do not select the site for your PIRTEK hose service center, although we must consent to the site. The general site selection criteria you should consider includes traffic patterns, ease of ingress and egress, size and cost of property, off-road area for loading and unloading, customer parking, demographic surveys, types of businesses in the general vicinity and other similar factors. You are solely responsible for locating a site that meets our standards and criteria and that is acceptable to us. We generally will respond within 30 days of your request for approval of a proposed site. If we do not approve the site you propose, we will permit you to examine alternative search areas for your site. The Franchise Agreement does not have any provision that addresses termination if you do not select a site within a prescribed time period, although your failure to open the Business within 120 days after signing the Franchise Agreement constitutes a default for which may terminate the agreement after 30 days if you fail open the Business. Our identification of, consent to, or acceptance of a site for a PIRTEK Business does not constitute a guarantee, recommendation, assurance or endorsement as to the success of the site of your Business.

From time to time you may be required to modernize, refurbish and replace buildings equipment, signage, display areas, furnishings and grounds in order to conform to our standards. The maximum amount that you will be required to spend on any such modernization, refurbishing and/or replacement will be a cumulative amount equal to $5,000 per year for each year that you have operated your Business, with the $5,000 amount adjusted annually in accordance with any annual change in the National Consumer Price Index.

Development Time. You must open your Business within 120 days of signing your Franchise Agreement. Factors affecting this length of time usually include arranging financing, successfully completing training and other possible factors.

You should not expend funds or make any other commitment in connection with the franchise and should not resign from existing employment, relocate or take any similar action until our approval of the franchise, which we will specifically communicate to you in writing.

Training. You must attend and complete to our satisfaction the initial Tier 1 or Tier 2 training program before you begin operating your Business. Training is available to you, your designated manager (if someone other than you), your operations manager, a technical sales representative ("TSR"- for Tier 1 only), at least two MSS technicians and the administration person for your Business. We conduct our training program at the Franchise Support Center in Rockledge, Florida, or other locations designated by us, including a host PIRTEK center for "on the job" work experience as described in the table below. The training will generally be for 1 week and is scheduled to begin approximately 1-2 weeks before you open your Business, followed by 2 weeks of on-site support. The training program includes two phases: (i) instruction regarding the general management of the Business; and (ii) instruction regarding the sales and service aspect of the MSSU part of the Business.

Any training provided by us to any of your employees will be limited to training or guidance regarding the delivery of approved products and services to clients in a manner that reflects the customer service standards of the System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You are solely responsible for ensuring that your employees receive adequate training.

TRAINING PROGRAM

General Management Program

Subject	Hours of Classroom Training	Location
GENERAL (Overview & orientation)	1	Franchise Corporate Headquarters & Training Facility; Rockledge, FL
OPERATIONS (Safety, products and technical)	20 to 24 hours	Franchise Corporate Headquarters & Training Facility; Rockledge, FL
FRANCHISING (territory grant and promotional obligations, teamwork within the PIRTEK network)	1	Franchise Corporate Headquarters & Training Facility; Rockledge, FL
SALES & TERRITORY MANAGEMENT (the role of the franchise owner and	4 to 5 hours	Franchise Corporate Headquarters & Training Facility; Rockledge, FL

Subject	Hours of Classroom Training	Location
TSR in sales and promoting the PIRTEK Products and services)		or another location we designate
TECHNOLOGY (navigation, inventory control and suggested P.O.)	4 to 6 hours	Franchise Corporate Headquarters & Training Facility; Rockledge, FL
INVENTORY (Purchasing, inventory control and suggested P.O.)	3 to 4 hours	Franchise Corporate Headquarters & Training Facility; Rockledge, FL
TABLET BASED TOOLS (Recording sales calls and producing work orders)	1 to 2 hours	Franchise Corporate Headquarters & Training Facility; Rockledge, FL
MANAGEMENT (Team building, planning, strategic pricing, financial reporting)	1 to 2 hours	At your franchise Territory or another location we designate
MARKETING (Image, literature and uniforms)	1 hour	Franchise Support Center in Rockledge, Florida or another location we designate
TOTALS	36 to 46 hours	

MSST Training Program

Subject	**Hours of Classroom Training**	**Location**
GENERAL (Overview and orientation)	1 to 2 hours	Franchise Support Center in Rockledge, Florida or another location we designate
OPERATIONS (Safety, products and technical)	25 to 28 hours	Franchise Support Center in Rockledge, Florida or another location we designate
SALES & TERRITORY MANAGEMENT (The role of the operator in sales and promoting the PIRTEK product and services)	4 to 5 hours	Franchise Support Center in Rockledge, Florida or another location we designate
TABLET BASED TOOLS (Recording customer information & producing works orders)	1 to 2 hours	Franchise Support Center in Rockledge, Florida or another location we designate

Subject	Hours of Classroom Training	Location
INVENTORY (Van stocking)	6 to 8 hours	Franchise Support Center in Rockledge, Florida or another location we designate
BEST PRACTICES (Reviewing and practicing items from training)	1 hour	Franchise Support Center in Rockledge, Florida or another location we designate
FRANCHISING (Territory grant and promotional obligations, teamwork within the PIRTEK network)	1 hour	Franchise Support Center in Rockledge, Florida or another location we designate
TOTALS	39 to 47 hours	

(1) The instructional materials include the Operations Manual, product and sales training guides including on-line videos, CRM and computer software packages, lectures and hands-on practice.

(2) As of the date of this Disclosure Document, Jamie Vokes is primarily responsible for the training program. Jamie has more than 20 years of experience with us, as further described in Item 2.

You must pay for the salaries, travel, accommodation and related costs for all persons associated with you who attend the training program. We estimate the cost for travel and living expenses during training to be $1,000 to $3,000 per person. We do not charge a fee for our initial training program. Any designated manager that you appoint for your Business must successfully complete to our satisfaction the full training program prior to assuming the responsibilities as designated manager. We may charge a reasonable training fee for any designated manager or other person who attends training after the initial training for your Business.

You (and your designated manager if someone other than you) must attend any annual national conference that we organize for our franchisees. In addition, you (and your designated manager if someone other than you) must attend regional seminars that we may organize from time to time. You are responsible for travel, lodging and related costs and fees for all persons who attend from your Business. Any training provided by us to any of your employees will be limited to training or guidance regarding the delivery of approved products and services to customers in a manner that reflects the customer service standards of the System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You are solely responsible for ensuring that your employees receive adequate training.

Operations Manual. We will provide you with access to the PIRTEK Operations Manual during the term of your franchise. The current Operations Manual table of contents is included in this Disclosure Document as Exhibit 11. As of the date of this Disclosure Document the Operations Manual consists of 161 pages.

Item12

TERRITORY

The disclosures in this Item 12 apply to both the Tier 1 and Tier 2 franchises, unless stated otherwise.

Development Agreement

If we grant you the right to develop, open and operate multiple Service and Supply Centers under a Development Agreement, when you sign the Development Agreement, we will grant you the exclusive right to develop Centers in a mutually agreed upon geographic area (the "Development Area"). The size of the Development Area may range from a portion or all of a city, county, metropolitan area, or marketing area, depending on a number of factors, including but not limited to demographics and your financial and management resources. The Development Area will be described in the Development Agreement by specific geographic boundaries, such as latitude and longitude, specified counties, or a description of municipal boundaries. We, and/or our affiliates, will have the right to operate or franchise to other parties the right to operate and provide hose assembly orders for customers within the Development Area with requests that Developer would otherwise not have the capacity to handle due to resources, supply, pricing and/or potential margin, technical ability, or engineering skill as well as for national, regional or other accounts, referred to as Strategic Accounts, which Franchisor determines will benefit the PIRTEK System. Franchisor shall retain similar rights within the Territory defined in any Franchise Agreement signed pursuant to the Development Agreement.

Each Service and Supply Center you are obligated to develop and open under your Development Agreement is to be located at a location within your Development Area that has been approved by us. You will sign a Franchise Agreement for each Center on the date set forth in the Development Schedule to the Development Agreement. When you sign the Franchise Agreement, we will grant you a Territory. Please refer to the disclosures below under the heading "Franchise Agreement."

The continuation of the area exclusivity of the Development Agreement is dependent upon your compliance with the terms of that agreement, the Development Schedule in particular, and the terms of each Franchise Agreement you sign pursuant to the Development Agreement. If you default on the terms of the Development Agreement or your Franchise Agreements, we may, in addition to our other available remedies, terminate the Development Agreement, modify, reduce, and/or accelerate the Development Schedule, or terminate, modify, and/or reduce the Development Area, without your consent.

Only a Development Agreement grants the right to acquire additional franchises within a defined area. Under your Franchise Agreement, you do not receive an option, right of first refusal, or other right to acquire additional franchises.

Franchise Agreement

You are granted the right to operate your Business within a designated Territory, subject to certain limitations described below. As a result, you will not receive an exclusive territory. You may face competition from other franchisees, from other outlets we or our affiliates may operate, or from other channels of distribution or competitive brands that we, our affiliates or third parties control, operate or franchise. We do, however provide you with Territory protections as described below and in the Franchise Agreement.

The method used to describe territorial boundaries of franchises generally will be one or a combination of the following: county lines, highways, streets, zip codes or waterways.

Territory Performance Standards

In exchange for granting you the rights within your Territory, we expect and require you to meet minimum performance standards in your Territory as follows ("Territory Performance Standards"). For the 2023 calendar year, the Territory Performance Standards for Tier 1 and Tier 2 franchisees will include each of the following components: (i) a minimum number of MSSU's that you will be required to operate in the Territory, as we reasonably deem necessary in accordance with Section 5.F of the Franchise Agreement after meeting with you at a location we designate to discuss the overall performance of your Business (you and we agree that we can adjust the minimum number of MSSU's during the term of the Agreement, although for new franchisees and new Centers, we require that you operate a minimum of 2 MSSUs when you open your Business); and (ii) an annual sales growth of 3% - 3½% for your Business on a year to year basis, although that sales growth requirement will not be used as a Territory Performance Standard for any year that 80% of our then-current Tier 1 centers in operation more than 12 months and for the full 12 month period do not achieve the annual sales growth requirement. We will designate the specific percentage between 3% and 3½% each year, with the percentage to remain unchanged from the prior year, unless we notify franchisees in writing prior to December 31.

1. For 2023, the annual sales growth percentage is 3% and the minimum number of MSSU's will be the same number the franchisee operated in 2022 (for new Centers the number of required MSSU's is two).

If you do not meet the Territory Performance Standards, you will be subject to the Correction Process outlined below. If you are a multi-territory operator with multiple franchise agreements, the Territory Performance Standards will apply separately for each or your territories and franchise agreements.

Correction Process

If you do not meet part (i) of the Territory Performance Standard due to your failure to operate the minimum number of MSSU's, we will provide you with a 30 day period to take the

necessary steps to meet the MSSU's requirement. Failure to take those steps within the 30 day period will be a default and may result in a notice of default under the Franchise Agreement.

If you do not meet part (ii) of the Territory Performance Standard (the annual sales growth requirement), subject to the 80% exception noted above, we may implement the following correction process.

First, we will notify you of your failure to meet the annual sales growth Territory Performance Standard, and we will actively work with you to (a) identify the reasons for such substandard performance, and (b) suggest ways for you to meet the annual sales growth Territory Performance Standard.

Next, if you fail to meet part (ii) of the Territory Performance Standard (the annual sales growth requirement) for a third consecutive 12 month period, you have the opportunity to advise us of your wish to sell the Business to a third party despite the default, but if no sale meeting the requirements of the Franchise Agreement takes place within 180 days, we have the right to terminate the Franchise Agreement immediately on sending written notice of termination from us to you. In connection with such termination, you will sign a general release and comply with all post termination obligations under this Agreement. Upon receipt of such a general release, we will sign a release of any and all claims of ours against you and/or any affiliate/ owner of yours relating to or arising out of the Franchise Agreement (and no other agreement or franchise) which exist as of the date of the release and are known by us; except that any such claims will be preserved by us if we disclose them to you in writing.

Territory

You do not have the right to sell products or services through any other channel or method of distribution (including the Internet or any other existing or future form of electronic commerce) or to any person or entity for resale or further distribution. All such rights, whether related to products and services offered under the System and Marks or otherwise, are reserved to us, as we do not have to pay to you any compensation for soliciting or accepting orders inside your Territory. You also do not have the right to subfranchise, sublicense, assign or transfer your rights under the Franchise Agreement, except for an assignment or transfer as specifically provided in the Franchise Agreement.

During the term of your Franchise Agreement, we will not establish either a company owned or franchised PIRTEK Hose Service Center within your Territory or modify your Territory without your written permission, provided that you are in complete compliance with the terms and conditions of your Franchise Agreement. We or an affiliate do, however, reserve the right to (i) put some limitations on Strategic Accounts that we may develop for the PIRTEK system; (ii) provide hose assembly orders for customers with requests that franchisees would otherwise not have the capacity to handle due to resources, supply, pricing and/or potential margin, technical ability, or engineering skill, while also being a production support arm when franchisees secure a large job (currently, those services provided by OEM as described in Item 1); and (iii) develop and operate and to license others to develop and operate the PIRTEK business at any location outside your Territory. Strategic Accounts are national, regional or other accounts we believe will benefit the system as further described in the Franchise Agreement or the Operations Manuals, and

Strategic Accounts may involve marketing in your Territory. If you agree to participate in servicing a Strategic Account, you must do so on the terms we specify, which terms may include, but may not be limited to, the provision of certain insurance, equipment, products and services, and the offer of services at prices not to exceed the maximum prices specified. Your failure to properly service a Strategic Account in your Territory may result in us authorizing another franchisee or us to service that Strategic Account.

We will not market the PIRTEK business within your Territory, except in the case where the marketing is part of the marketing programs described in Item 11, is contained in a general publication (or media) with general distribution (or broadcast) within and outside the Territory, or marketing related to OEM's activities (or any other affiliate) as described in the prior paragraph and Item 1. As further addressed in our current territory infringement policy, it is a violation of another PIRTEK franchisee's franchise agreement if that franchisee makes sales or service calls in your Territory without your permission or our permission as part of any Strategic Account business if you are unwilling or unable to satisfactorily service the Strategic Account, although (i) a franchisee's marketing in its territory may reach your Territory if contained in a general publication (or media) like a regional newspaper with general distribution (or broadcast) within his territory/promotional zone and your Territory or (ii) a franchisee or its team in limited instances may make a sales call in your Territory if the service call will be done outside your Territory. The terms and conditions applicable to Strategic Accounts will be listed in the Operations Manual or other written communications.

We are not required to pay you if we exercise any of the rights specified above in the foregoing paragraphs inside your Territory (including for soliciting or accepting orders in your Territory).

We retain all rights that are not expressly granted to you under the Franchise Agreement. We may, without compensation to any franchisee, and without granting you any rights, establish and/or license others to establish franchised or company-owned or affiliate-owned businesses at any location outside your Territory regardless of the proximity of such businesses to your Territory, unless you sign a Development Agreement. If you sign a Development Agreement, you will be granted the territorial rights described above. We may also merge with, acquire or become associated with any businesses of any kind (including those in competition with PIRTEK businesses) under other systems or other marks. Such businesses may convert to or operate under the Marks and may sell products and services that are the same as the products and services offered from your business and may be located anywhere inside or outside of your Territory. We also have the right to sell for ourselves or license others to sell through franchised businesses or any other method of distribution (including the internet), both inside and outside your Territory, products and services the same as the products and services offered under the System, and which are offered and distributed under marks different than the Marks.

We generally will not grant to you any options, rights of first refusal or similar rights to acquire additional franchises within any particular territory unless you sign a Development Agreement. If you sign a Development Agreement, you will be granted the territorial rights described above.

We may permit you to relocate the site of the Business to a different facility in the Territory if it becomes necessary for you to do so on account of condemnation, sale or otherwise, including cancellation of your lease. Although you do not have a right to do so, we may permit you to establish another PIRTEK Business, if you meet our then-current Expansion Criteria. We have the absolute right to determine whether an existing franchisee meets our Expansion Criteria, which we may modify from time to time. As of the date of this Disclosure Document, the criteria we consider are, among other factors: a franchisee's compliance with the System, operational success, leadership ability and team development, and financial stability and ability to expand.

Item13

TRADEMARKS

The Franchise Agreement licenses you to use the PIRTEK service mark, as well as other trademarks, service marks, trade names, trade dress and commercial symbols (collectively, the "Marks"). PFS is the owner of the PIRTEK service mark and claims common law trademark rights for all of the Marks. PFS has filed or intends to file all required affidavits and renewals of the Marks listed below. We are a licensee of the rights to use the Marks in the United States.

Principal Trademarks	U.S. Reg. No.	Principal/ Supplemental Register	Registration Date
PIRTEK	2,201,394	Principal	November 3, 1998
PIRTEK (with design)	2,192,554	Principal	September 29, 1998
Cog (design only)	2,201,392	Principal	November 3, 1998

Appendix C to your Franchise Agreement identifies the Marks that you are licensed to use. Appendix C includes the PIRTEK service marks identified above and other Marks. We have the right to change Appendix C from time to time. Your use of the Marks and any related goodwill is to PFS' and our exclusive benefit and you retain no rights in the Marks. You retain no rights to use the Marks upon termination of the Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing.

There are no currently effective determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks. Other than the trademark license agreement between us and PFS, as described in Item 1, there are currently no agreements in effect that significantly limit the rights of us to use or license the use of any Marks in any manner material to the franchise. We know of no infringing uses that could materially affect your use of the Marks.

We and PFS are parties to a trademark license agreement dated November 8, 2021. The trademark license agreement allows us to grant franchises and license franchisees to use the Marks in the United States, subject to the franchisees signing a franchise agreement for the Business. The trademark license agreement has a 20 year term scheduled to expire in November 2041, with 10

year renewal terms. PFS may terminate the trademark agreement if we fail to, among other things, comply with applicable legal requirements, and perform our obligations under the franchise agreements. Upon PFS's termination of the trademark agreement, the franchise agreements may be assigned to PFS or its designee at PFS's written request. In that event, you will continue to operate under the Franchise Agreement and Marks.

PFS and we are not required to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. PFS and we reserve the right to control any litigation related to the Marks and will have the sole right to decide to pursue or settle any infringement actions related to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware and to cooperate with any action that PFS and we undertake. If PFS or we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make such changes or substitutions at your own expense.

Item14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no registered patents, copyrights or pending patent applications that are material to the franchise, although we do claim copyright ownership and protection for our PIRTEK Franchise Agreement, Operations Manual and for various sales promotional and other materials published from time to time.

There are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and

copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. You may not contest our interests in patents or copyrights.

You must keep confidential during and after the term of the Franchise Agreement all proprietary information, including the Operations Manual. Upon termination of the Franchise Agreement, you must return to us all proprietary information, including but not limited to the Operations Manual, and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take action, and we have the sole right to decide the appropriate response to any unauthorized use of proprietary

information. You must comply with all changes to the Operations Manual at your cost. In the future, the changes may include making the Operations Manual available on the Internet or other on-line or computer data transfer communications.

Item15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are an individual, you must directly supervise and manage your Business. If you are a corporation, partnership or other business entity, or if more than individual owns the franchise, you must designate in writing to us one individual who owns at least 25% of the franchisee (the "Controlling Owner"). The Controlling Owner must actively direct your affairs relating to the PIRTEK Business and is responsible for overseeing the general management of the day-to-day operations of the PIRTEK Business. The Controlling Owner will be deemed to have authority to sign on your behalf on all contracts and commercial accounts. You also must designate an individual who personally invests his or her full time and attention and devotes his or her best efforts to the on-premises general management of the day-to-day operations of the PIRTEK Business (the "Designated Manager"), completes our full training program to our satisfaction prior to beginning the duties of the Designated Manager, and does not participate in the active operation or management of any business other than the PIRTEK Business. Any individual owner, Controlling Owner and Designated Manager must complete our training program as noted in Item 11. A Controlling Owner may serve in the role of Designated Manager. If a different individual than the Controlling Owner, the Designated Manager need not have an ownership interest in the franchisee entity; however, he or she may be required to sign a written agreement maintaining confidentiality of proprietary information.

Each individual who directly or indirectly owns a 10% or greater interest in a Franchisee must sign the personal undertaking and guarantee attached to the Franchise Agreement. These Owners agree to discharge all obligations of the franchisee under the Franchise Agreement and are bound by all its terms and conditions, including maintaining confidentiality of proprietary information and abiding by the noncompete covenants described in Item 17.

Item16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those products and services that we have approved (see Items 8 and 9). You must offer all products and services that we require. There are no limits on our right to make modifications to the approved products and services from time to time as set forth in the Operations Manual or otherwise in writing. Any failure to comply with these standards may result in termination of your Franchise Agreement (see Item 17).

You may not use your place of Business, or any MSSU used in connection with your Business, for any other purpose than the operation of your Business.

You may use only marketing and promotional materials that we have approved.

You generally are not limited in the customers to whom you may sell products and services in the Territory; however, we reserve the right to put some limitations on Strategic Accounts that we may develop for the PIRTEK System (see Item 12). In addition, there are certain limitations to marketing and selling products and services outside your Territory.

Item17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 4	10 years
b. Renewal or extension of the term	Section 4	If you satisfy renewal requirements, you may renew for two 10-year renewal terms.
c. Requirements for franchisee to renew or extend	Section 4	You must have complied with your Franchise Agreement and be current with all monetary obligations. You must give us notice, maintain the premises for the Business (including modernization), pay the renewal fee, sign a release and sign a then current franchise agreement. If you seek to renew your 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 11C	Subject to certain conditions, you may terminate the Franchise Agreement only for good cause with 30 days' advance notice of default to us and 30

	Provision	Section in Franchise Agreement	Summary
			days' opportunity for us to cure (subject to state law).
e.	Termination by franchisor without cause	None	Not applicable
f.	Termination by franchisor with cause	Sections 11A-B	We can terminate only if you default.
g.	"Cause" defined – curable defaults	Sections 11A-B	You have 30 days to cure non-submission of reports, non-payment of amounts due and owing, failure to abide by our standards and requirements for the Business, failure to meet our requirements and specifications regarding to products and services, territory infringement and any other default not listed in h. below (subject to state law).
h.	"Cause" defined – non-curable defaults	Sections 11A-B	Non-curable defaults: abandonment, insolvency, unauthorized assignments or transfers, conviction of (or pleading no contest to) any felony or a misdemeanor impairing the goodwill of the Marks, violation of the conflict of interest (in-term noncompete), deception of customers regarding products, willful falsification of reports, repeated audits because of underreporting, repeated defaults within 12- month period even if cured, failure to meet your minimum annual performance target and failure to cure within 24 hours' notice of default which materially impairs the goodwill associated with our Marks (subject to state law).

	Provision	Section in Franchise Agreement	Summary
i.	Franchisee's obligations on termination/non-renewal	Sections 12.A-C	Obligations include complete de-identification of the Center and MSSUs, payment of amounts due, discontinue or assign business phone number, return of Operations Manual and proprietary information, and compliance with noncompete provisions.
j.	Assignment of contract by franchisor	Sections 15 and 16	No restriction on our right to assign. Our interest in the Franchise Agreement may transfer to PFS or its designee if the trademark license agreement described in Item 13 is terminated. Assignee must fulfill our obligations under the Franchise Agreement.
k.	"Transfer" by franchisee – defined	Sections 14A-C	Includes any transfer of your interest in the Franchise Agreement or Business.
l.	Franchisor approval of transfer by franchisee	Sections 14A-C	PIRTEK has the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Sections 14A-C	New franchisee or Controlling Owner qualifies, transferee not in default under the Franchise Agreement, transfer fee paid, all amounts owed by prior franchisee paid, training completed, non-compete and release agreements signed, and guarantees or new franchise agreements signed.
n.	Franchisor's right of first refusal to acquire your business	Section 14E	We can match any offer.

	Provision	Section in Franchise Agreement	Summary
o.	Franchisor's option to purchase your business	Section 12B	Upon expiration or termination, we have the right, at our option, to (i) purchase Inventory Products at the actual amount that you paid less a 15% restocking fee and the cost of shipping and (ii) any equipment, fixtures, signage, furniture and other products or supplies at a price to be determined using an 8 year depreciation schedule. We also have the right to obtain an assignment of your lease. (Subject to state law)
			You can transfer to third party approved by us
P	Death or disability of franchisee	Section 14D	upon death, disability or incapacity of a Controlling Owner. Transfer conditions apply (see m, above) whether to a third party or to an individual or entity already holding an interest in an entity franchisee. We may temporarily operate Business until we approve a transferee.
q.	Non-competition covenants during the term of the franchise	Section 10C	No direct or indirect involvement in the operation of any business selling products and services similar to those sold by your PIRTEK Business. (Subject to state law.)
r.	Non-competition covenants after the franchise is terminated or expires	Section 10C	No competing business for 2 years within the Territory or 25 miles of Territory or the territory of another PIRTEK center (subject to state law).
s.	Modification of the agreement	Section 16B	No modifications generally, but we may change Operations Manual and list of Marks.

Provision	Section in Franchise Agreement	Summary
t. Integration/ merger clause	Section 16B	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 13A	Except for certain claims, all disputes must be mediated and arbitrated in Orlando, Florida (subject to state law).
v. Choice of forum	Section 16I	Subject to Section 13A, litigation must be brought in the Federal District Court for the Middle District of Florida, or if such court lacks jurisdiction, the Eighteenth Judicial Circuit (or its successor) in and for Brevard County, Florida.
w. Choice of law	Section 16I	Florida law applies (subject to state law).

Certain states require franchisors to make additional disclosures related to the information contained in this Disclosure Document. If applicable, these additional disclosures will be furnished to you immediately following Item 23 and in Exhibit 3 to this Disclosure Document.

Area Development Agreement

Provision	Section in the Development Agreement	Summary
a. Length of the development rights term	Section 4.1	The term expires on the last opening date on the schedule for development of the franchises.
b. Renewal or extension of the term	None	

c. Requirements for developer to renew or extend	None-not applicable	
d. Termination by developer	Not Applicable	
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	Section 7	We may terminate the Development Agreement only if you default.
g. "Cause" defined-curable defaults	Section 7.2	You can avoid termination of the Development Agreement if you cure a default arising from your failure to comply with mandatory specifications in the Development Agreement within 30 days of receiving our notice of termination.
h. "Cause" defined-non- curable defaults	Section 7.1, 7.2	We have the right to terminate the Development Agreement without giving you an opportunity to cure if you: transfer control of Development Agreement or transfer an interest in your business entity in an unauthorized manner; made a material misrepresentation or omission in the application for development rights; are convicted of or plead no contest to a felony or other crime or offense likely to affect the goodwill associated with the Marks; misuse or make unauthorized use of the Marks; terminate any franchise agreement with or without cause; fail to meet the timing requirements and deadlines contained in the schedule for development of the franchises; or fail to comply with any provision of the Development Agreement after notice of non- compliance.

i. Developer's obligations on termination/non-renewal	Section 8	If the Development Agreement is terminated, you must: stop using any trade secrets and confidential information; pay all sums owed to us; and comply with the covenants not to compete and any other surviving provisions of the Development Agreement.
j. Assignment of contract by franchisor	Section 6.1	There are no restrictions on our right to assign our interest in the Development Agreement.
k. "Transfer" by developer- definition	Section 6.2	"Transfer" includes transfer of ownership in the development rights, the Development Agreement, or the developer entity.
l. Franchisor's approval of transfer by developer	Section 6.2	You may not transfer your interest in any of the items listed in (k) above without our prior written consent, which we may grant or withhold in our sole and absolute discretion.
m. Conditions for franchisor's approval of transfer	Section 6.2.3	We may impose conditions on granting our consent, including the following (i) all obligations owed to us are fully paid and satisfied; (ii) you (and any transferring owners, if you are a business entity) have executed a general release;(iii) the prospective transferee meets our management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as we may require in our sole and absolute discretion; (iv) the transferee has executed a general release, in a form we require, of any and all claims against us and our equity

		owners, officers, managers, directors and employees, in their corporate and individual capacities, with respect to any representations regarding the franchise or the business conducted or any other matter that may have been made to the transferee by you; (v) You have provided us with a complete copy of all contracts and agreements and related documentation between you and the prospective transferee relating to the intended sale or transfer; you, or the transferee, has paid to Franchisor a transfer fee equal to the greater of: (a) 50% of the balance of the initial franchise fees due for each of the Centers that are required to be opened under the Development Schedule that are not yet open; or (b) the amount of the purchase price in excess of the Development Fee; (vii) the transferee, and all holders of a legal or beneficial interest in the transferee, have agreed to be personally bound jointly and severally by all provisions of the Development Agreement; (viii) the transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied; and (x) you have, and if you are an entity, all of the holders of a legal and beneficial interest in you have, executed and delivered to us a non-competition

		agreement in a form we designate.
n. Franchisor's right of first refusal to acquire developer's development rights	6.4	We have the right of first refusal to acquire your development rights. We will have a period of 30 days from the date you deliver any notice of a bona fide offer to us within which to exercise our right of first refusal to acquire your development rights for the price and on the terms and conditions contained in the offer.
o. Franchisor option to purchase developer's development rights	Not Applicable	
p. Non-competition covenants during the term of the Development Agreement	Section 5.3.2	No direct or indirect involvement in the operation of any business selling products and services similar to those sold by your PIRTEK Business (subject to state law.).
q. Non-competition covenants after the Development Agreement is terminated or expires	Section 5.3.3	No competing business for 2 years within the Territory or 25 miles of Territory or the territory of another PIRTEK center (subject to state law).
r. Modification of the agreement	Section 12.6	The Development Agreement can be modified only by written agreement between you and us.
s. Integration/merger clause	Sections 12.6	Only the terms of the Development Agreement are binding (subject to state law), although if there is a conflict between the Development Agreement and any Franchise Agreement, the terms of the Franchise Agreement control. Nothing in the Development Agreement is intended to disclaim the representations made in the Franchise Disclosure Document we furnished to you.

t. Dispute resolution by arbitration or mediation	Section 11.1	Except for certain claims, all disputes must be mediated and arbitrated in Orlando, Florida (subject to state law).
u. Choice of forum	Section 12.13.1	Subject to Section 11.1, litigation must be brought in the Federal District Court for the Middle District of Florida, or if such court lacks jurisdiction, the Eighteenth Judicial Circuit (or its successor) in and for Brevard County, Florida.
v. Choice of law	Section 12.13.1	The Development Agreement is governed by the laws of the state of Florida.

END OF ITEM 17

Item18

PUBLIC FIGURES

We do not use any public figure to promote the franchise. No public figure is involved in the actual management or control of us.

Item19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC 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.

A. Reports on Gross Sales for the Period January 1, 2022 to December 31, 2022

The sales figures listed below include average and median Gross Sales derived from historical operating results of the franchised businesses indicated for the time periods covered. We obtained these sales figures from information provided to us by our franchisees for the period from January 1, 2022 through December 31, 2022 (the "Full 2022 Reporting Period"). Neither we nor our independent certified public accountants have audited or verified any of the sales figures

reported to us. Franchisees are not required to use generally accepted accounting principles when reporting these figures.

On December 31, 2022, there were 118 PIRTEK Franchised Centers open and 104 were in continuous operation during the entire calendar year. The analysis set forth below is based on the average yearly gross sales and median sales for those 104 PIRTEK Centers for 2022. Of the 104 PIRTEK Centers open and in continuous operation as of December 31, 2022, 78 were Tier 1 Centers and 26 were Tier 2 Centers. The information provided in Tables 3 and 4 does not include data from 12 franchised businesses that opened during the year 2022 and therefore were not in operation for the Full 2022 Reporting Period. One business opened and closed during the 12 month period of the Full 2022 Reporting Period.

The sales figures listed below include average and median Gross Sales derived from historical operating results of the franchised businesses indicated for the time periods covered. We obtained these sales figures from information provided to us by our franchisees for the period from January 1, 2022 through December 31, 2022 (the "Full 2022 Reporting Period"). Neither we nor our independent certified public accountants have audited or verified any of the sales figures reported to us. Franchisees are not required to use generally accepted accounting principles when reporting these figures.

The following tables refer to "Gross Sales." "Gross Sales" includes cash and credit sales as well as any goods or services received by the franchisee in exchange for goods and services sold at the PIRTEK Center. "Gross Sales" does not include sales or use taxes.

TABLE 1

Gross Sales
Centers Operating for the Entire 2022 Calendar Year

Table 1 provides Gross Sales for all 2022 Full Year Operational Centers, with a separate breakdown for Tier 1 Centers and Tier 2 Centers.

Type of Center	Number of Centers	Average Gross Sales	# and % of Centers that met or exceeded the average (Note 1)	Median Gross Sales
All Franchised Centers	104	$1,181,138	45/ 43%	$1,100,340
Tier 1 Centers	78	$1,390,075	32 (41%)	$1,239,087
Tier 2 Centers	26	$554,329	11/42%	$492,077

(1) The highest and lowest reported Gross Sales for the 104 2022 Full Year Operational Centers included in the average were, $2,751,492 and $21,505 respectively. The highest and lowest reported Gross Sales for the 78 Tier 1 PIRTEK Centers included in the average were

$2,751,492 and $41,238, respectively. The highest and lowest reported Gross Sales for the 26 Tier 2 PIRTEK Centers included in the average were $1,395,226 and $21,505, respectively.

TABLE 2

Gross Sales by "Time Period"
for the Entire 2022 Calendar Year

Table 2 provides Gross Sales for all 2022 Full Year Operational Centers separated by the number of years each Center has been in operation.

# of Full Calendar Years	Number of Centers	Average Gross Sales	High	Median	Low	Number & % Above Average	Number & % Below Average
5+	66	$1,473,176	$2,751,492	$1,371,796	$21,505	30/45%	36/55%
3-4	14	$801,282	$1,315,247	$736,228	$211,374	7/50%	7/50%
1-2	24	$599,617	$1,395,226	$552,954	$41,238	15/63%	9/38%

B. Reports on Gross Sales for the Period January 1, 2021 to December 31, 2021

The sales figures listed below include average and median Gross Sales derived from historical operating results of the franchised businesses indicated for the time periods covered. We obtained these sales figures from information provided to us by our franchisees for the period from January 1, 2021 through December 31, 2021 (the "Full 2021 Reporting Period"). Neither we nor our independent certified public accountants have audited or verified any of the sales figures reported to us. Franchisees are not required to use generally accepted accounting principles when reporting these figures.

On December 31, 2021, there were 106 PIRTEK Centers open and 88 were in continuous operation during the entire calendar year. The information set forth below is based on the average yearly gross sales and median sales for those 88 PIRTEK Centers for 2021 (the "2021 Full Year Operational Centers"). The information provided in Tables 1 and 2 does not include data from 15 franchised businesses that opened during the year 2021 and therefore were not in operation for the Full 2021 Reporting Period. No businesses opened and closed during the 12 month period of the Full 2021 Reporting Period.

Of the 88 PIRTEK Centers open and in continuous operation as of December 31, 2021, 64 were Tier 1 Centers and 24 were Tier 2 Centers.

The following tables refer to "Gross Sales." "Gross Sales" includes cash and credit sales as well as any goods or services received by the franchisee in exchange for goods and services sold at the PIRTEK Center. "Gross Sales" does not include sales or use taxes.

TABLE 3
Systemwide Gross Sales
Centers Operating for the Entire 2021 Calendar Year

Table 3 provides Gross Sales for all 2021 Full Year Operational Centers, with a separate breakdown for Tier 1 Centers and Tier 2 Centers.

Type of Center	Number of Centers	Average Gross Sales	# and % of Centers that met or exceeded the average (Note 1)	Median Gross Sales
All Franchised Centers	88	$1,073,795	37 (42%)	$983,005
Tier 1 Centers	64	$1,243,409	32 (50%)	$1,204,310
Tier 2 Centers	24	$621,493	12 (50%)	$614,782

(1) The highest and lowest reported Gross Sales for the 88 2021 Full Year Operational Centers included in the average were $2,836,175 and $152,765, respectively. The highest and lowest reported Gross Sales for the 64 Tier 1 PIRTEK Centers included in the average were $2,836,175 and $358,421, respectively. The highest and lowest reported Gross Sales for the 24 Tier 2 PIRTEK Centers included in the average were $1,150,690 and $152,765 respectively.

TABLE 4
Gross Sales by "Time Period"
Centers Operating for the Entire 2021 Calendar Year

Table 4 provides Gross Sales for all 2021 Full Year Operational Centers separated by the number of years each Center has been in operation.

# of Full Calendar Years	Number of Centers	Average Gross Sales	High	Low	Median	Number & % Above Average	Number & % Below Average
5+	52	$1,310,903	$2,836,175	$492,158	$1,414,754	29/56 %	23/44%
3-4	17	$907,498	$2,428,146	$152,765	$884,284	8/47%	9/53%
1-2	19	$573,661	$996,556	$196,689	$594,439	10/53%	9/47%

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

Written substantiation for these financial performance representations will be made available to a prospective franchisee upon reasonable request.

Item20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2020 to 2022*

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2020	89	90	+1
	2021	90	106	+16
	2022	106	118	+12
Company-Owned	2020	0	7	+7
	2021	7	3	-4
	2022	3	0	-3
Total Outlets	2020	89	97	+8
	2021	97	109	+12
	2022	109	118	+12

Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2020 to 2022*

State	Year	Number of Transfers
California	2020	1
	2021	0
	2022	0
Colorado	2020	0
	2021	0
	2022	1
Florida	2020	0
	2021	0
	2022	2
Georgia	2020	3
	2021	0

* All numbers are as of December 31, 2022, 2021, and 2020. The numbers are for PIRTEK franchisees and company-owned/affiliate locations in the United States and include Tier 1 and Tier 2 franchises.
* All numbers are as of December 31, 2022, 2021, and 2020. The numbers are for PIRTEK franchisees in the United States. States not listed had no transfer activity to report during the relevant time period.

State	Year	Number of Transfers
	2022	0
Indiana	2020	0
	2021	2
	2022	0
Ohio	2020	1
	2021	0
	2022	1
Pennsylvania	2020	0
	2021	0
	2022	1
Texas	2020	0
	2021	3
	2022	5
Virginia	2020	0
	2021	0
	2022	2
Washington	2020	1
	2021	0
	2022	0
Total	2020	6
	2021	7
	2022	12

Table No. 3
Status of Franchised Outlets For
Years 2020 to 2022*

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2020	1	1	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	1	0	0	0	0	4
Arizona	2020	2	0	0	0	0	0	2
	2021	2	0	1	0	0	0	1
	2022	1	0	0	0	0	0	1
California	2020	8	0	0	0	0	0	8
	2021	8	0	1	0	0	0	7

* All numbers are as of December 31, 2022, 2021, and 2020. The numbers are for PIRTEK franchisees in the United States. If multiple events occurred affecting an outlet, this table shows the event that occurred last in time. States not listed had no franchised activity to report during the relevant time period.

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2022	7	0	0	0	0	0	7
Colorado	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Florida	2020	16	0	0	0	6	0	10
	2021	10	5	0	0	0	0	15
	2022	15	3	0	0	0	0	18
Georgia	2020**	5	1	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	0	7
Illinois	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
Indiana	2020	2	0	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Iowa	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Kentucky	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Louisiana	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Maryland	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	1	0	0	0	0	0	1
Massachusetts	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Michigan	2020**	5	1	0	0	0	0	6

** For franchisees that opened in 2020, one franchise in Georgia, one in Michigan, one in North Carolina, one in Tennessee and one in Texas opened as a Tier 2 franchise. For franchisees that opened in 2021, one franchise in Alabama, one in Florida, one in Kentucky, one in Maryland, one in Missouri, one in North Carolina, one in New Mexico, two in Ohio, one in Puerto Rico, one in South Carolina, one in Texas, and one in Wisconsin opened as a Tier 2 franchise.

** For franchisees that opened in 2020, one franchise in Georgia, one in Michigan, one in North Carolina, one in Tennessee and one in Texas opened as a Tier 2 franchise. For franchisees that opened in 2021, one franchise in Alabama, one in Florida, one in Kentucky, one in Maryland, one in Missouri, one in North Carolina, one in New

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
Minnesota	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Missouri	2020	3	0	0	0	0	0	3
	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
New Jersey	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
New Mexico	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	1	0	0	0	0
New York	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
North Carolina	2020**	3	1	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	2	1	0	0	0	6
Ohio	2020	2	0	0	0	0	0	2
	2021	2	2	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Pennsylvania	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
South Carolina	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	1	1
Tennessee	2020**	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Texas	2020**	10	4	2	0	0	0	12
	2021	12	1	0	0	0	0	13

Mexico, two in Ohio, one in Puerto Rico, one in South Carolina, one in Texas, and one in Wisconsin opened as a Tier 2 franchise.

** For franchisees that opened in 2020, one franchise in Georgia, one in Michigan, one in North Carolina, one in Tennessee and one in Texas opened as a Tier 2 franchise. For franchisees that opened in 2021, one franchise in Alabama, one in Florida, one in Kentucky, one in Maryland, one in Missouri, one in North Carolina, one in New Mexico, two in Ohio, one in Puerto Rico, one in South Carolina, one in Texas, and one in Wisconsin opened as a Tier 2 franchise.

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2022	13	2	0	0	0	0	15
Utah	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Virginia	2020	2	0	0	0	1	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
Washington	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Wisconsin	2020	2	0	0	0	0	0	2
	2021	2	2	0	0	0	0	4
	2022	4	1	0	0	0	0	5
Puerto Rico	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Total	2020	89	11	3	0	7	0	90
	2021	90	18	2	0	0	0	106
	2022	106	15	2	0	0	1	118

Table No. 4
Status of Company-Owned Outlets For Years 2020 to 2022(1)

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Florida (2)	2020	0	0	6	0	0	6
	2021	6	0	0	0	4	2
	2022	2	0	0	0	2	0
Virginia (3)	2020	0	0	1	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
Total	2020	0	0	7	0	0	7
	2021	7	0	0	0	4	3
	2022	3	0	0	0	3	0

(1) All numbers are as of December 31, 2022, 2021, and 2020.

(2) As of June 30, 2020, our affiliate and subsidiary, WABU LLC, ("WABUL"), operated a PIRTEK Service and Supply Center in Lakeland, FL at 4300 S. Frontage Rd #10-11, a PIRTEK Service and Supply Center in Sarasota, FL at 1577 Cattlemen Road, a PIRTEK Service and Supply Center in Midway, FL at 301-A Commerce Blvd, a Tier 2 mobile unit in the Ft. Myers, FL area, a Tier 2 mobile unit in the Ocala, FL area, and a Tier 2 mobile unit in the Pensacola, FL area. We sold four of those businesses to a franchisee in December 2021 and then sold the other two business in February 2022.

(3) Our affiliate and subsidiary, Hydraulic Hose of Virginia Beach, operated a PIRTEK Service and Supply Center in Virginia Beach, VA at 5760 Northampton Blvd., Virginia Beach, VA 23455., Ste 104. This location was sold on December 1, 2022.

Table No. 5

Projected Openings as of December 31, 2022 for Tier 1 and Tier 2 Franchises

State•	Franchise Agreements Signed But Business Not Open	Projected New Franchised Business In Next Fiscal Year	Projected Company Owned Businesses In Next Fiscal Year
California	1	1	
Georgia	1	2	
Indiana	1		
Ohio	1	1	
Pennsylvania	1	1	
Texas	1	3	
Massachusetts		1	
Arizona		2	
Nevada		2	
Oklahoma		2	
Oregon		1	
Michigan		1	
Missouri		1	
Colorado		1	
Minnesota		1	
Arkansas		1	
Tennessee		1	
Alabama		1	
New Hampshire		1	
New York		1	
Florida		1	
South Carolina		1	

• States not listed have no data to report for the relevant time period.

State•	Franchise Agreements Signed But Business Not Open	Projected New Franchised Business In Next Fiscal Year	Projected Company Owned Businesses In Next Fiscal Year
North Carolina		1	
New Jersey		1	
Virginia		1	
TOTALS	6	30	0

Exhibit 5 lists the names of all of our operating franchisees and the addresses and telephone numbers of their Businesses as of December 31, 2022. Exhibit 5 also lists the franchisees who have signed Franchise Agreements for Businesses which were not yet operational as of December 31, 2022. Finally, Exhibit 5 lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the effective date of the Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Franchisees have signed confidentiality clauses during the last three fiscal years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Pirtek USA, LLC. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

The PIRTEK Franchise Advisory Council ("FAC") includes elected franchisee members and appointed franchisee members and meets periodically with corporate representatives to discuss various franchise issues. We will utilize our PIRTEK Franchise Advisory Council ("FAC") to serve in an advisory capacity only. We have the power to form, change or dissolve the FAC. We both created and sponsor the FAC, and contact information for the FAC is the same as our contact information. The following independent franchisee organization has asked to be included in this Disclosure Document: Fluid Power Franchisee Association, 2125 Energy Park Drive, St. Paul, Minnesota 55108; telephone (847) 636-3307; email at info@fpfa.us; website at www.fpfa.us.

Item21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit 4 are the following: audited balance sheets as of the years ended December 31, 2022, 2021 and 2020, and the related statements of income, changes in members' equity and cash flows for the years ending December 31, 2022, 2021 and 2020, together with the report of independent certified public accountants. Our fiscal year end is December 31. Also attached as part of Exhibit 4 is our guarantee of performance where we absolutely and unconditionally guarantee any duties or obligations of our affiliate PFS has under

the franchise agreements. As noted in Item 1, PFS is not a party to any franchise agreement that we sign with franchisees.

Item22

CONTRACTS

Exhibit 2 to this Disclosure Document is a sample of the PIRTEK Development Agreement.

Exhibit 3 to this Disclosure Document is a sample of the PIRTEK Franchise Agreement with its Acknowledgment Addendum, and Appendices A (Franchised Location, Territory), B (Ownership and Management Addendum), C (Marks), D (Addendum to Lease), E (Computer Software License Agreement), F (Draft Authorization), G (Assignment of Telephone Numbers), and H (Assignment of Domain Name and E-Mail Address)

Exhibit 6 to this Disclosure Document is the Form Confidentiality Agreement.

Exhibit 7 to this Disclosure Document is the Form of Renewal Addendum if you are renewing your franchise and signing the then current Franchise Agreement with the Renewal Addendum.

Exhibit 8 to this Disclosure Document is the Form of SBA Addendum if you are obtaining SBA financing.

Exhibit 9 to this Disclosure Document is the Form of General Release Agreement.

Exhibit 10 to this Disclosure Document is the Form of Assignment and Consent Agreement.

As a prospective franchisee, you should obtain independent legal and financial advice concerning the PIRTEK franchise offering as you deem appropriate before making any commitment.

Item23

RECEIPTS

Exhibit 13 to this Disclosure Document is a detachable acknowledgment of receipt. Please promptly sign and return one copy of the receipt to us.

ADDENDUM TO PIRTEK® DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

The following information applies to franchises and franchisees subject to the California Franchise Investment Act. Item numbers correspond to those in the main body:

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

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

2. Risk Factors.

Spousal Liability: Your spouse will be liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. Item 3.

Item 3 is amended to provide that neither us nor any other person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

4. Items 6 and 17.

The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

5. Item 17.

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

6. Item 17.

Termination of the Franchise Agreement by us because of your insolvency or bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

7. Item 17.

The Franchise Agreement requires you to sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

8. Item 17.

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.

9. Item 17.

The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California law

10. Item 17.

The Franchise Agreement requires binding arbitration. You 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.

11. Item 19.

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

12. Other.

Certain provisions in the Franchise Agreement (Section 13.D pertaining to a one year contractual statute of limitation for bringing claims, Section 16.J pertaining to a waiver of jury trial, and Section 16.K pertaining to a waiver of punitive damages) may not be enforceable under California law.

ADDENDUM TO PIRTEK® DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII

The following applies to franchises and franchisees subject to Hawaii statutes and regulations. Item numbers correspond to those in the main body.

The name and address of the Franchisor's agent in this state authorized to receive service of process is the Hawaii Commissioner of Securities, 335 Merchant Street, Honolulu, Hawaii 96813.

Risk Factors.

The Franchisee will be required to make an estimated initial investment ranging from $410,300 to $899,300 for a Tier 1 franchise and $249,400 to $557,000 for a Tier 2 franchise. This amount exceeds the Franchisor's stockholder's negative equity of ($1,857,761), as of December 31, 2022. A prospective franchisee should refer to the audited financial statements for complete details.

Item 5.

With respect to the Initial Franchise Fee, we shall defer the payment of the initial franchise fee and other initial payments owed to us, or our affiliate, by you until such time as all initial obligations owed to you under the Franchise Agreement or other agreements have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement.

Other Regulations.

THESE FRANCHISES WILL BE/HAVE 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 THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR 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 THE FRANCHISOR AND THE FRANCHISEE.

ADDENDUM TO PIRTEK® DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

The following information applies to franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987. Item numbers correspond to those in the main body.

1. Item 5.

With respect to the Initial Franchise Fee, we shall defer the payment of the initial franchise fee and other initial payments owed to us, or our affiliate, by you until such time as all initial obligations owed to you under the Franchise Agreement or other agreements have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement. The Illinois Attorney General has imposed this deferral requirement upon the payment of the Initial Franchise Fee, pursuant to Section 200.508 of the Illinois Franchise Disclosure Act.

2. Item 6.

With respect to certain Inventory Products, we may require you to hold specified levels of inventory at your Business. The cost to maintain the specified level of inventory will vary under the circumstances and must be paid when invoiced. As noted in Items 7 and 8, the Inventory Products must be purchased from us. See Item 8 for more information on Inventory Products.

2. Item 17.

For Illinois franchisees, Illinois law governs the Franchise Agreement. The conditions under which the franchise can be terminated and rights upon nonrenewal may be affected by Illinois law. Any provision in a Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void. Currently, an Illinois franchisee could not have a territory that encompasses part of Illinois and another state. Accordingly, Illinois law would apply for any Territory located in Illinois.

ADDENDUM TO PIRTEK® DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

The following information applies to franchises and franchisees subject to Maryland statutes and regulations. Item numbers correspond to those in the main body:

1. Item 5.

The Maryland Securities Commissioner has required a financial assurance. All initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the Franchise Agreement.

2. Item 8.

Item 8 is supplemented by the following disclosure:

"We are the sole supplier of the following products and services necessary for the operation of your Business: (a) Shop Set-Up Services; (b) Technology (including proprietary and other software, modem, printer/printer accessories) and Computer Connection Services; (c) Signs and Equipment that contain the PIRTEK marks (including uniforms, branded equipment necessary to outfit the MSSUs, printed forms and stationary, promotional items such as caps), and (d) opening and ongoing Inventory requirements (including hydraulic, industrial and specialist hoses; hose fittings, adapters, and accessories). You will pay the then-current price in effect at the time for all products and services you purchase from us and our affiliates. In some cases (and as noted in Item 8), the cost of Inventory and the other products and services referenced above may be higher than the prevailing market price of similar products and services on the market. In other cases, such as with respect to our PIRTEK-branded equipment and materials, we are unable to determine the prevailing market rate as no third-party currently is authorized to distribute our branded equipment and materials.

If we are no longer able to provide you with the above-listed products and services, we will endeavor to provide such products and services through one or more alternate suppliers at comparable cost."

3. Item 12.

The general release required as a condition of sale shall not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. Item 17.

The Franchise Agreement provides for termination if you are insolvent under any applicable state or federal law. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 et seq.).

5. Item 17.

Any claims under the Maryland Franchise and Disclosure law may be brought in the state of Maryland.

6. Item 17.

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

7. Item 17.

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

8. Item 17.

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

ADDENDUM TO PIRTEK® DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

The following applies to franchises and franchisees subject to Minnesota statutes and regulations. Item numbers correspond to those in the main body.

1. Items 5 and 7.

Collection of all initial fees and payments owed to Franchisor or an affiliate will be deferred until such time as the Franchisor completes its initial obligations and you commence business operations.

2. Item 13.

We will undertake the defense of any claim of infringement by third parties involving the PIRTEK Trademark. You must cooperate with the defense in any reasonable manner prescribed by us with any direct costs of such cooperation to be borne by us.

3. Item 17.

Nothing in the Disclosure Document or Franchise 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 the jurisdiction. Any claims arising under the Minnesota Statutes, Chapter 80C (including Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J) may be brought in the state of Minnesota.

4. Item 17.

Minnesota law provides you with certain termination and nonrenewal rights. As of the date of this Disclosure Document, Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 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 nonrenewal of the Franchise Agreement.

ADDENDUM TO PIRTEK® DISCLOSURE DOCUMENT
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 1 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.

ADDENDUM TO PIRTEK® DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA

Sections of the Disclosure Document 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, Non-Disclosure and Non-Competition Agreement, contain a covenant not to compete which may not be enforceable under North Dakota law.

Sections of the Disclosure Document requiring resolution of disputes to be outside of the state of 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 Disclosure Document 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 Disclosure Document 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.

Any provision requiring Franchisee to agree to the mediation or arbitration of disputes at a location that is remote from the site of Franchisee's business is not enforceable.

All initial fees and payments shall be deferred until all initial obligations owed to franchisee under the Franchise Agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the Franchise Agreement.

Item 17(i) is amended to include the following statement: The Commissioner has determined that franchise agreements which provide a provision that requires consent to termination or liquidated damages is unfair, unjust an inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law and will be unenforceable.

ADDENDUM TO PIRTEK® DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

1. The following applies to franchises and franchisees subject to Virginia statutes and regulations. Item numbers correspond to those in the main body.

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et seq.).

2. Item 5 is revised to include the following statement:

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

3. Item 17.h is revised to provide as follows:

"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 grounds for default or termination stated in the franchise agreement do 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."

ADDENDUM TO PIRTEK® DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

Pursuant to a requirement by the Securities Division, the collection of all initial fees and payments will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business.

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 or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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.

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.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable by a franchisor against an employee of a franchisee unless the employee's earnings from the party seeking enforcement, when annualized, exceed one hundred thousand dollars per year (an amount that will be adjusted annually for inflation). Pursuant to RCW 49.62.030, a noncompetition covenant is void and unenforceable by a franchisor against an independent contractor of a franchisee unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed two hundred fifty thousand dollars per year (an amount that will be adjusted annually for inflation). As a result, the franchisor will not require a franchisee to have its employees and independent

contractors sign any agreement that contains noncompetition covenants that would violate RCW 49.62.020 by binding an employee of

adjusted annually for inflation) or an independent contractor of franchisee making less than two hundred fifty thousand dollars per year on an annual basis (an amount that will be adjusted annually for inflation).

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or a franchisee or (ii) soliciting or hiring any employee of the franchisor. As a result, the franchisor will not require a franchisee to sign any non-solicitation agreement that would violate RCW 49.62.060 by restricting, restraining or prohibiting the franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or a franchisee or (ii) soliciting or hiring any employee of the franchisor.

ASSURANCE OF DISCONTINUANCE
STATE OF WASHINGTON

To resolve an investigation by the Washington Attorney General and without admitting any liability, we have entered into an Assurance of Discontinuance ("AOD") with the State of Washington, where we affirmed that we already removed from our form franchise agreement a provision which restricted a franchisee from soliciting and/or hiring the employees of our other franchisees, which the Attorney General alleges violated Washington state and federal antitrust and unfair practices laws. We have agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to not include any such provisions in future franchise agreements, to request that our Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify our franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against us.

ADDENDUM TO PIRTEK® DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN

The following information applies to franchises and franchisees subject to the Wisconsin Fair Dealership law. Item numbers correspond to those in the main body:

1. Item 17.

For all franchises sold in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

2. Item 17.

For Wisconsin franchisees, ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

ADDENDUM TO PIRTEK® DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND

The following applies to franchises and franchisees subject to Rhode Island statutes and regulations. Item numbers correspond to those in the main body.

1. Item 17.

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

EXHIBIT 1

List of State Administrators and Agent for Service of Process

CALIFORNIA
California Commissioner of Financial Protection & Innovation
Department of Financial Protection & Innovation
2101 Arena Boulevard
Sacramento, California 95834

ILLINOIS
Attorney General State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA
Agent to Receive Process
Indiana Secretary of State
201 State House
200 W. Washington Street
Indianapolis, Indiana 46204

State Administrator
Indiana Securities Commissioner
302 W. Washington, Room E-111
Indianapolis, Indiana 46204

MARYLAND
Agent to Receive Process
Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202

State Administrator
Office of the Attorney General Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN
Michigan Department of Attorney General
Consumer Protection Division
Attention: Franchise Section
G. Mennen Williams Building, First Floor
525 West Ottawa Street
Lansing, MI 48933

MINNESOTA
Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280
St. Paul, Minnesota 55101

NEW YORK
Agent to Receive Process
Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001

State Administrator
Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
28 Liberty Street, 21st Floor
New York, NY 10005

NORTH DAKOTA
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol-5th Floor Bismarck, ND 58505-0510

RHODE ISLAND
Rhode Island Department of Business Regulation
Securities Division
John O. Pastore Complex – Building 69-1
1511 Pontiac Avenue
Cranston, RI 02920

VIRGINIA
Agent to Receive Process
Clerk of the State Corporation Commission
1300 E. Main Street, First Floor
Richmond, VA 23219

State Administrator
State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, Ninth Floor
Richmond, VA 23219

WASHINGTON
Department of Financial Institutions
Securities Division
150 Israel Rd S.W. Tumwater, WA 98501

WISCONSIN
Department of Financial Institutions
Division of Securities
4822 Madison Yards Way, North Tower
Madison, WI 53705

EXHIBIT 2

Development Agreement

PIRTEK USA LLC DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is made and entered into on the Effective Date identified on the Area Development Agreement Data Sheet attached to this Agreement as Exhibit A by and between **PIRTEK USA LLC** ("Franchisor"), and _____ ("Developer").

WITNESSETH:

WHEREAS, Franchisor is in the business of granting licenses for the right to open and operate hose service centers under the mark PIRTEK®, which service centers currently include a service center facility ("PIRTEK Hose Service Center" or "PIRTEK Service Center" or "Center"), which includes PIRTEK vans or mobile sales and service units that service customers ("MSSUs" or "MSS Units");

Whereas, Franchisor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the PIRTEK service mark, which has been registered with the United States Patent and Trademark Office, the other trademarks, service marks, and trade names as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "Proprietary Marks" or "Marks");

WHEREAS, PIRTEK Hose Service Center and MSSUs are to be developed, constructed, opened and operated in accordance with Franchisor's designated standards and procedures, including the sale, custom assembly and installation of industrial and hydraulic hoses, fixed tube assemblies, fittings and related components, and includes proprietary rights in certain valuable marks, logos, business names, trade names, using distinctive products and services under the Marks and utilizing the specific image including names, marks, uniform product ranges, specified designs and color schemes for the business premises, signs, layouts, fixtures and fittings and uniforms, all of which may be changed, improved, further developed, and/or otherwise modified at any time in the future in Franchisor's sole discretion (the "System");

WHEREAS, Developer desires to, and has applied for the right to, develop PIRTEK Hose Service Centers within the Development Area (as defined in this Agreement), and Franchisor has approved Developer's application in reliance upon all of the representations made herein and therein;

WHEREAS, Franchisor wishes to grant to Developer the right, and Developer wishes to accept the obligation, to develop PIRTEK Hose Service Centers within the Development Area, subject to the terms and conditions set forth in this Agreement;

WHEREAS, Developer acknowledges that Developer has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves business risks which make the success of the venture largely dependent upon the business abilities of Developer.

NOW, THEREFORE, Franchisor and Developer, intending to be legally bound, agree as follows:

1. DEVELOPMENT RIGHTS

1.1 **Grant of Development Rights.** Franchisor hereby grants to Developer, and Developer undertakes and accepts, the exclusive right and obligation to develop Centers within the "Development Area" identified in the Area Development Agreement Data Sheet attached to this Agreement as Exhibit A. The term of this grant is the duration of this Agreement, which expires on the date set forth in Exhibit A, unless terminated earlier by agreement or operation of law.

1.1.1 The required number of Centers to be developed under this Agreement and the development schedule ("Development Schedule") setting forth mandatory dates for the Developer to acquire control of property, and open Centers, are set forth in Exhibit B.

1.1.2 Except as allowed by Section 1.2 below, Franchisor shall not operate, or license others to operate, Center(s) within the Development Area. The location of each specific Center developed under this Agreement shall be subject to Franchisor's prior written approval.

1.2 **Retained Rights.** Franchisor and/or its affiliates, parents and/or subsidiaries (each a "Related Entity") or another franchisee shall have the right to operate and provide hose assembly orders for customers within the Development Area with requests that Developer would otherwise not have the capacity to handle due to resources, supply, pricing and/or potential margin, technical ability, or engineering skill as well as for national, regional or other accounts Franchisor determines will benefit the PIRTEK System, which are referred to as Strategic Accounts. Additionally, Franchisor and its Related Entities retain the following rights:

1.2.1 to continue to own and operate, and allow others to continue to own and operate, Centers existing inside of the Development Area as of the date of this Agreement, as identified in Exhibit A;

1.2.2 to establish, own and operate, or grant to others the right to establish, own and operate, Centers at any location outside of the Development Area;

1.2.3 to establish, own and operate, and license others to establish, own and operate, businesses under other systems using other proprietary marks, both within and outside the Development Area;

1.2.4 to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to Centers (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Development Area. If Franchisor purchases or acquires franchises or licenses, Franchisor may, in its sole discretion, act as franchisor or licensor with respect to such franchisees or licensees wherever located, pursuant to the individual franchise or license agreement(s) between Franchisor and such franchisee(s) or licensee(s);

1.2.5 to acquire (regardless of the form of transaction), merge with, become associated with, or otherwise affiliate with, and thereafter own and operate, and/or franchise or license to others the right to own and operate, any business, including any businesses of any kind (including those in competition with PIRTEK businesses) under other systems and/or marks, which businesses may convert to or operate under the Marks and may offer or sell products and services that are the same as or similar to the products and services offered

at or from your business, and notwithstanding such business's actual or threatened impact on sales at any Center within the Development Area. If Franchisor acquires a competitive business or a competitive franchise in the Development Area, Franchisor has the right to operate or license a third party to operate such competitive business; *provided that*, such business will not be licensed to use the Marks within the Development Area;

1.2.6 to advertise, market and promote the System within the Development Area and to sell, solicit and direct advertising or promotional materials to customers or prospective customers located in the Development Area;

1.2.7 to offer, sell, distribute or otherwise provide, directly or indirectly, or license to others the right to sell or distribute, directly or indirectly, within and outside the Development Area, any products or services, including those products or merchandise bearing the Marks, from any location other than a Center, including but not limited to, sales made at or through retail or wholesale stores, temporary locations, trailers, catalogs, mail order or electronic means (for example, the Internet);

1.2.8 to sell and distribute for ourselves and/or license others to sell and distribute through franchised businesses or any other method of distribution, both inside and outside your Development Area products and services the same as or different from the products and services offered under the System, and which are offered and distributed under marks different than the Marks; and

1.2.9 to engage in any activities not expressly forbidden by this Agreement.

1.3 **No Additional Rights; Restrictions on Developer.** This Agreement is not a franchise agreement or sub-franchise agreement. This Agreement does not grant any right to use or license the use of the Marks or the System. Without limiting the generality of the foregoing, Developer acknowledges that Developer is not permitted to use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales of products or services within or outside of the Development Area. Developer further acknowledges that it may not separately register any domain name or operate any web site containing any of the Trademarks without our written approval. Franchisor shall have the right to condition its approval on the terms that Franchisor determines are

necessary, including, without limitation, requiring that Developer's domain name and home page belong to Franchisor and be licensed to Developer for use during the Term.

2. DEVELOPMENT FEE AND FRANCHISE FEES

2.1 **Development Fee**. Upon the execution of this Agreement, and in consideration of the Development Area granted herein, Developer shall pay to Franchisor a development fee in the amount set forth in Exhibit A (the "Development Fee"). The Development Fee shall be fully earned by Franchisor upon execution of this Agreement for administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted to Developer in this Agreement. Under no circumstances will all or any portion of the Development Fee be refunded to Developer for any reason.

2.2 **Application of Development Fee**. Developer shall enter into Franchisor's then-current form of franchise agreement ("Franchise Agreement") for each Center developed under this Agreement. If Developer is in compliance with its obligations under this Agreement, upon Developer's execution of each Franchise Agreement, Franchisor agrees to apply a portion of the Development Fee in the amounts indicated on Exhibit A toward the Initial Franchise Fee payable by the franchisee under the Franchise Agreement for each of the Centers opened during the Term of this Agreement. In no event shall Developer be entitled to a credit greater than the amount of the Development Fee.

2.3 **Effect of Franchisor Assignment Upon Development Fee**. In the event of an assignment or transfer by Franchisor of its interest in this Agreement pursuant to Section 6.1 hereof, Franchisor shall transfer the balance of the Development Fee which it holds to the transferee and, upon such transfer and assumption of the obligation by the transferee to apply the Development Fee in accordance with Section 2.2, Franchisor shall be released from all liability relating to such deposit or rights arising because of such deposit. Developer shall have no right to assign or encumber in any way, its interest in the deposit held by Franchisor or its transferee.

3. DEVELOPMENT AND OPENING REQUIREMENTS

3.1 **Development Obligations.** Developer agrees that it shall strictly comply with the Development Schedule, including securing the real estate for each Center through binding lease or purchase by the applicable "Required Control Date" for each Center and opening each Center by the applicable "Required Opening Date." It is specifically agreed that **TIME IS OF THE ESSENCE** in performing these obligations. Developer acknowledges that this Agreement may require Developer to pursue and develop multiple projects at the same time, and that time is of the essence with respect to Developer's developing and opening of Centers.

3.1.1 Notwithstanding any provision in this Agreement to the contrary, Developer understands and agrees that, as a condition to the granting of a franchise to operate any Center that Developer is required to develop under this Agreement, Developer must apply for, meet and maintain Franchisor's then-current operational, financial, credit, legal and other criteria for developing and operating a new Center.

3.1.2 Prior to securing a site for each Center Developer is required to open under this Agreement, Developer shall furnish to Franchisor all financial data Franchisor requests to establish to Franchisor's satisfaction that Developer has the financial ability to develop, open and operate each such Center, including, without limitation, balance sheets, profit and loss statements, and statements of cash flow for the periods designated by Franchisor.

3.1.3 If Developer is in default under the terms of any then-existing Franchise Agreement, Franchisor shall have no obligation to approve the development and opening of any subsequent Center(s) pursuant to this Agreement until Developer is in full compliance under its existing Franchise Agreement(s).

3.2 **Site Approval.** For each Center to be developed under this Agreement, Developer shall, at its sole cost and expense, be responsible for identifying potential locations within the Development Area, acquiring control of property at the location by purchase or binding lease for a period not less than the term for the respective Franchise Agreement (or such other period as Franchisor may approve), and for constructing and equipping each Center in strict accordance with Franchisor's then-current standards, procedures, plans and specifications.

3.2.1 Developer shall submit each proposed location for each Center in writing in advance to Franchisor for approval of the location. Notwithstanding that requirement to submit a location for approval by Franchisor, Developer acknowledges that the location, selection, procurement and development of each site for each Center Developer is required to open and operate under this Agreement are Developer's responsibilities. Developer further acknowledges that Franchisor's approval of a site and/or rendering of assistance in the selection of any site, does not constitute a representation, promise, warranty or guarantee, express or implied, by Franchisor, its officers, employees, directors or agents, as to the potential sales volume, profits, or success of the Center to be developed, opened and operated by Developer at such location.

3.2.2 Before Developer commits to, or signs a lease, Developer shall provide Franchisor with a copy of the lease, along with such other information as Franchisor reasonably requests to evaluate the proposal, including, without limitation, the cost of acquisition, development and construction. Developer shall provide Franchisor with a copy of the proposed lease for the Premises before signing any lease. Developer shall not enter into a lease agreement for any Center location without first obtaining Franchisor's written approval of the proposed site and the terms of the lease. Developer shall provide Franchisor with a copy of Developer's fully executed lease agreement for each Center location immediately after signing. Franchisor is not required and has no obligation to negotiate the terms of Developer's lease for any Center location. Franchisor requires the inclusion of the Addendum to Lease, which is attached as Appendix D to the Franchise Agreement.

3.3 **Construction of Center.**

3.3.1 For each Center to be developed under this Agreement, Developer must construct and equip the Center in accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, furnishings, location, accessory features and design and layout of the building premises. Franchisor will loan to Developer, or make available through digital means, one copy of Franchisor's confidential Operations Manual for the Business, containing mandatory and suggested specifications, standards and operating procedures for the Business. You may not commence construction

of the Center nor lease a location for the development of the Center until you have received our written consent to your building plans.

3.3.2 If Franchisor determines that any Center is not being built, or was not built, in full accordance with the final plans, in addition to any other rights available to Franchisor under this Agreement or applicable law, Franchisor shall have the right to require Developer to cause to be made all alterations or modifications of any such Center that Franchisor deems necessary. Franchisor may consult with Developer, to the extent Franchisor deems necessary, on the construction and equipping of the Center, but it will be and remain Developer's sole responsibility to diligently design, construct, equip and otherwise ready and open each Center.

3.3.3 Developer shall be responsible, at Developer's expense, for obtaining all zoning classifications, permits, clearances, certificates of occupancy, and center clearances, which may be required by governmental authorities for each Center.

3.3.4 Developer shall obtain and maintain in force, during the entire period of such construction, such insurance policies and for such amounts as Franchisor may designate in its sole discretion.

3.3.5 Developer shall use licensed general contractors, designers and architects in performing any and all construction work at each Center, including in connection with any remodeling or renovations. Franchisor expressly disclaims any warranty of the quality or merchantability of any goods or services provided by architects, contractors, or any other persons or entities to which Franchisor may refer to Developer. Franchisor is not responsible for delays in the construction, equipping or decoration of any Center or for any loss resulting from any Center design or construction. Developer acknowledges that Franchisor has no control over the landlord or developer and numerous construction and/or related problems that could occur and delay the opening of a Center.

3.3.6 Franchisor shall have access to each Center being developed under this Agreement at all times during the Term, including while work is in progress, and may require alterations or modifications of the construction of any Center that Franchisor deems necessary.

3.3.7 Developer shall complete construction of each Center (including all exterior and interior carpentry, electrical, painting, and finishing work, and installation of all furniture, fixtures, equipment, and signs), at Developer's expense, and open each Center no later than the Required Opening Date applicable to the Center specified in Development Schedule.

3.3.8 Developer shall promptly notify Franchisor of the date of completion of the construction of each Center and, within 14 days thereafter, Franchisor shall have the right conduct a final inspection of the Center. Developer shall not open any Center for business without the express written authorization of Franchisor, and Franchisor's authorization to open may be conditioned upon Developer's strict compliance with the specifications of the approved final plans and with the standards of the System.

3.3.9 Developer shall install in and about each Center only such equipment, including equipment, fixtures, furnishings, interior and exterior signage, and other personal property which strictly conforms to the appearance, standards, specifications and procedures of Franchisor, as may be revised from time to time in Franchisor's sole discretion. Such equipment is sometimes referred to herein collectively as "Equipment and Furnishings." Developer shall purchase and install all Equipment and Furnishings only from those suppliers Franchisor designates or approves in its sole discretion. Franchisor shall have the right to obtain and retain any and all rebates and incentives offered by such vendors and suppliers. Franchisor reserves the right to be one of, or the sole, supplier of any Equipment and Furnishings and may derive revenue, benefits, or other material consideration from such purchases. Franchisor shall have the right to inspect and approve all Equipment and Furnishings and their installation to ensure Developer's compliance with Franchisor's standards and specifications.

3.4 **Completion of Initial Training.** For each Center developed under this Agreement, Developer, your Controlling Owner, your Designated Manager (if any), your TSR (technical sale representative), at least 2 MSS Technicians and your administration person must, at your expense for room, board and travel, must attend and successfully complete, to Franchisor's satisfaction, Franchisor's initial training program (the "Initial Training"). The Initial Training must be successfully completed prior to commencement of business at each

Center. The Initial Training will take place at a location and for a period as Franchisor's designates. There is no separate fee payable to Franchisor for this Initial Training.

3.5 **Franchise Agreement and Ancillary Agreements.** For each Center, Developer shall sign Franchisor's then-current form of Franchise Agreement and such other standard, customary agreements, including personal guarantee agreements from each Owner who directly or indirectly owns a 10% or greater interest in the Franchisee (the "Franchise Documents"). Developer acknowledges and agrees that the then-current forms of Franchise Documents may contain different terms as compared to the current form of Franchise Agreement, provided, however, so long as Developer is not in default under this Agreement, the Royalty Fee and Advertising Fee shall be as set forth in the Franchise Disclosure Document delivered to Developer in connection with this Agreement. Developer shall sign and deliver to Franchisor the Franchise Documents for each Center, and pay to Franchisor the balance of the initial franchise fee due to Franchisor under each such agreement, at the time of signing the Franchise Documents. The Initial Technology Start-up Fee and the Opening Set-up Fee shall be paid by Developer at the time of opening.

3.6 **Legal Entities.** Developer shall have the right to form corporations, limited liability companies, or partnerships (each a "Developer Operating Entity") to enter into the Franchise Documents with respect to operating each Center opened under this Agreement, provided that Developer is the sole owner of any Developer Operating Entity or, if Developer is an entity, the ownership structure any Developer Operating Entity is identical to the ownership structure of Developer.

3.7 **Continuous Operation.** Developer shall at all times continuously maintain in operation, pursuant to each Franchise Agreement, at least the number of Centers required to be operational at such time as set forth in the Development Schedule.

3.8 **Varied Standards.** Because complete uniformity under many varying conditions may not be possible or practical, Franchisor reserves the right and privilege, at its sole discretion, to vary standards for any System developer or franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, existing business practices, or any other condition which Franchisor reasonably deems to be

essential to the successful operation of a Center. Developer shall have no complaint on account of any variation from the reasonable standard specifications and practices granted to any other developer or franchisee and shall not be entitled to require Franchisor to grant to Developer a like or similar variation hereunder.

4. TERM

4.1 **Term.** The term of this Agreement shall begin on the Effective Date and shall expire on the Expiration Date as set forth in Exhibit A (hereinafter the "Term"), unless otherwise terminated pursuant to the provisions of this Agreement. Upon the expiration of the Term, this Agreement and all rights, including development rights, granted hereunder will automatically terminate, and Developer shall have no right to renew or extend the Term.

4.2 **After Expiration of Term**. At any time after the expiration or termination of the Term for any reason: (a) Franchisor shall have the right to own or operate, or license others to own or operate, Centers within the Development Area; provided, however, that in no event shall Franchisor cause such Center(s) (except as reserved in the Franchise Agreement) to be constructed or operated within the Protected Territory defined in any Franchise Agreement executed pursuant hereto; and (b) Developer shall have no further right under this Agreement to construct or operate Centers, or enter into Franchise Agreements with respect thereto; provided, however, that the expiration or termination of Developer's rights under this Agreement shall not affect any Franchise Agreement entered into prior to the expiration of such rights.

5. MARKS; CONFIDENTIAL INFORMATION; NON-COMPETITION; RESTRICTIONS ON PUBLIC STATEMENTS

5.1 **Limited License Under this Agreement.** Notwithstanding any provision to the contrary herein, this Agreement grants to Developer only a limited license to use the Marks solely for the specific purpose of performing Developer's obligations to develop and equip a Center under this Agreement. Specifically, without limitation, this Agreement does not grant Developer any right to use the Marks in any other manner or in connection with the operation of a Center. The right to use the Marks in connection with the operation, advertising or promotion of a Center may only be granted by the terms of a Franchise Agreement.

5.1.1 Developer shall not use any Mark as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms designs, or symbols, or in any modifying words, terms designs or symbols, or in any modified form, nor may Developer use any Mark in connection with any business or activity other than the business conducted by Developer pursuant to a Franchise Agreements or in any other manner not explicitly authorized in writing by Franchisor.

5.2 Confidential Information

5.2.1 "Confidential Information" means any and all information relating to Franchisor, the System, and/or the Centers that is not generally available to the public, including, but not limited to:

(i) any and all manuals, including operations manuals, changes or modifications thereto, as well as passwords or other digital or other identifications necessary to access any manual or confidential information on a website, intranet, extranet or otherwise via the Internet;

(ii) the methods, techniques, formats, drawings, specifications, procedures, information, systems and knowledge and experience in the design and operation of a Center and the purchase, preparation and sale of authorized and approved products and services in connection with the operation of Centers;

(iii) information, systems, experience and business intelligence with respect to the consumer, business or financial success, attributes or performance of any product, marketing, promotion, strategy, equipment or consumer proposition;

(iv) proposed or future products, product rollouts and promotions (except advertising of future promotions as specifically authorized by Franchisor);

(v) information related to System suppliers and distributors; and

(vi) sales data, cost of goods, labor costs, profit margins, and other financial information in any way relating to Centers, whether operated by Developer or Franchisor.

5.2.2 **Personal Guarantee.** Franchisor may disclose, and/or Developer may learn by virtue of Developer's activities hereunder, Confidential Information, including, without limitation, through Franchisor's furnishing of specifications and guidance in the development, opening and operation of a Center, the training program, the Manual(s) and other instructional manuals, sales promotion aids, accounting procedures, marketing reports, informational and product bulletins, vendors price sheets and inventory systems and other guidance furnished to Developer during the Term. The disclosure and/or receipt of Confidential Information, regardless of whether such information is disclosed to Developer under a confidentiality notice may be expressly conditioned upon Developer and each Controlling Owner, and any person or entity that is an owner of an equity interest of 10% or greater in Developer, executing a Personal Guarantee agreeing to the foregoing restrictions on Confidential Information.

5.2.3 **No Interest.** Developer agrees that it will not acquire any legal or equitable interest in the Confidential Information, other than the right to use it in the development and operation of Center(s) during the Term and that the use or duplication of the Confidential Information in any other hose business would constitute an unfair method of competition. Developer acknowledges and agrees that the Confidential Information is proprietary to Franchisor and it is a trade secret of Franchisor and is disclosed to Developer solely for use by Developer in the development and operation of the Center during the Term and on the condition that Developer does hereby agree that it:

(i) will not use the Confidential Information in any other business or capacity;

(ii) will not disclose and will maintain the confidentiality of the Confidential Information at all times during and after the Term;

(iii) will not, under any circumstances, disclose any Confidential Information to any media outlet or post such Confidential Information on any websites, social media sites, or any other formats available to

the public;

(iv) will not make unauthorized copies of any portion of the Confidential Information disclosed;

(v) shall be solely responsible for ensuring that each of Developer's managers, employees, agents, Controlling Owners and Owners having access to Confidential Information comply with this Section 5.2 and do not communicate, divulge or use the Confidential Information in violation thereof;

(vi) will adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent the unauthorized use or disclosure of Confidential Information, including, without limitation, (a) restricting access to and disclosure of Confidential Information to only those managerial employees of Developer whose responsibilities in the operation of the Center require access to such Confidential Information; (b) restricting access to Confidential Information to prevent theft, unauthorized duplication and discovery of such Confidential Information; (c) requiring all managers and employees with access to Confidential Information to execute a Confidentiality and Restrictive Covenant Agreement as Franchisor may require from time to time, including in substantially the same form as the Confidentiality and Restrictive Covenant Agreement attached as an Exhibit to the standard form of Franchise Agreement offered by Franchisor, agreeing to maintain the confidentiality during the course of their employment and thereafter of all Confidential Information. Copies of all executed confidentiality agreements must be kept by Developer for a minimum of five years after any employee leaves their employment or affiliation with Developer and must be provided to Franchisor upon request.

5.3 **Covenant Not to Compete.** Developer specifically acknowledges that, pursuant to this Agreement, Developer will be privy to Confidential Information, including, without limitation, information regarding site selection, development and construction of Centers. Developer therefore agrees to the following noncompetition covenants and agrees that the

following noncompetition covenants are reasonable and necessary to protect the System's legitimate business interests, including its Confidential Information and customer goodwill:

5.3.1 Unless otherwise specified, the term "Developer" as used in this Section 5.3 means and includes, collectively and individually, (a) if you are an entity, the entity, all guarantors and all shareholders, members, partners, as the case may be, and other holders of any ownership interest in the entity (collectively, "Owners"), as well as any spouse, children, parents and siblings of any guarantor and Owner, or (b) if you are an individual, the individual and the individual's spouse, children, parents and siblings. Franchisor may require you to obtain from your guarantors and Owners, and/or from your spouse, children, parents and siblings or any spouse, children, parents, and siblings of any Owner or guarantor, as applicable, a signed non-compete agreement in a form satisfactory to Franchisor that contains the non-compete provisions of this Section 5.3.

5.3.2 Developer promises that during the term of this Agreement, Developer will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any Competitive Business (as defined below).

5.3.3. Developer promises that Developer will not, for a period of two years after the expiration or termination of this Agreement, regardless of the cause of termination, or within two years of the sale or transfer of the Agreement or any interest in Developer, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, advertise, promote in any media including social media platforms, or consult with or have any interest in a Competitive Business (as defined below) that is located:

a. In the Development Area;

b. Within a 25-mile radius of the outer boundary of the territory of any Center; or

c. Inside the territory of another PIRTEK Business, whether franchised or owned by us or our affiliates.

For purposes of this Agreement, a "Competitive Business" is any business that offers or sells any product or service or component thereof that (i) composes a part of our System, (ii) is the same as or similar to any product or service then- offered by our franchisees or us or our affiliates, or (iii) otherwise competes directly or indirectly with our System.

5.3.4 Developer agrees that the length of time in paragraph 5.3.3 above will be tolled for any period during which Developer is in breach of the non-compete covenants or any other period during which we seek to enforce this Agreement.

5.3.5 In addition, Developer agrees that during the term of this Agreement and for one year thereafter, Developer will not, without Franchisor's prior written consent, directly or indirectly, for Developer or on behalf of any other person, divert, or attempt to divert, any business or customer of the Business or any other PIRTEK Business away from the System.

5.3.6 The parties agree that each of the foregoing covenants in this Section 5.3 will be construed as independent of any other covenant or provision of this Agreement. To the extent anyone successfully contests the validity or enforceability of any part of this Section 5.3 in its present form predicated upon the area of coverage, this provision will not be deemed invalid or unenforceable, but will instead be deemed modified, so as to be valid and enforceable, to provide coverage for the maximum scope that any court of competent jurisdiction or arbitrator will deem reasonable and necessary to protect our legitimate interests.

5.3.7 Developer acknowledges that any violation of the terms of Section 5.3 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Developer accordingly consents to the issuance of an injunction prohibiting any conduct by Developer in violation of any of the terms of Section 5.3, inclusive of all subparts.

5.3.8 Developer acknowledges and agrees that:

(i) the length and term of the geographical restrictions contained in Section 5.3 are fair and reasonable and do not impose a greater

restraint than is necessary to protect the goodwill or other business interests of Franchisor;

(ii) Developer's full, uninhibited and faithful observance of each of the covenants contained in Section 5.3, inclusive of all subparts, will not cause any undue hardship, financial or otherwise, and that the enforcement of each of the covenants in will not impair Developer's ability to obtain employment commensurate with Developer's abilities and on terms fully acceptable to Developer or otherwise to obtain income required for the comfortable support of Developer, Developer's family and the satisfaction of Developer's creditors;

(iii) Developer's special knowledge of Confidential Information and/ or the business of a System franchisee (and anyone acquiring knowledge through Developer) would cause Franchisor and other System franchisees serious injury and loss if Developer (or anyone acquiring knowledge through Developer) were to use this knowledge to the benefit of a competitor or were to compete with Franchisor or any System franchisees.

5.4 **Restrictions on Public Statements.** Developer (including its Owners or employees) shall not, without the Franchisor's express written consent in all instances which may be withheld by Franchisor in its sole discretion, post, contribute, or author any content on any website or social media or communicate with any media outlet or organization in a manner that:

5.4.1 makes any statement which disparages, ridicules or is derogatory of the System, the brand or Marks, the Franchisor, its affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives, or any franchisee, or the owners, officers, employees, agents, consultants, attorneys or representatives of any franchisee;

5.4.2 pertains in any way to health or safety conditions at a Center; or

5.4.3 pertains to any litigation pending or threatened against a System franchisee or the Franchisor, Franchisor's affiliates, subsidiaries or parents, or any of their owners, officers, employees, agents, consultants, attorneys or representatives.

6. TRANSFERABILITY OF INTEREST

6.1 **By Franchisor.** This Agreement and all rights hereunder may be assigned and transferred by Franchisor and, if so, shall be binding upon and inure to the benefit of Franchisor's successors and assigns; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder and Franchisor shall have no liability for the performance of any obligations contained in this Agreement after the effective date of such transfer or assignment.

6.2 **By Developer**

6.2.1 The rights granted to Developer under this Agreement are personal to Developer and are granted in reliance upon the personal qualifications of Developer. Developer has represented, and hereby represents, that it is entering into this Development Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the rights granted hereunder.

6.2.2 Developer, without Franchisor's prior written consent, which may be granted or withheld in Franchisor's sole and absolute discretion, by operation of law or otherwise, shall not, voluntarily or involuntarily, directly or indirectly, sell, assign, transfer, convey, give away or encumber any part of its interest in this Agreement, its interest in the rights granted hereby or its interest in any entity that owns any interest in such rights, and shall not offer, permit or suffer the same to be sold, assigned, transferred, conveyed, given away or encumbered in any way. Without limiting the generality of the foregoing, Developer shall not, without the prior written consent of Franchisor, fractionalize any of the rights granted pursuant to this Agreement. Developer further acknowledges and agrees that:

(i) any purported sale, assignment, transfer, conveyance, gift or encumbrance of any of Developer's rights herein not having

Franchisor's express consent shall be null and void and shall constitute a material default of this Agreement.

(ii) the restrictions on transfer imposed herein are reasonable and necessary to protect Franchisor, the Marks and quality, as well as Franchisor's reputation and image and are for the protection of Franchisor and the System.

(iii) any assignment or transfer permitted by Franchisor shall not take effect until Franchisor issues its written consent thereto, following its receipt and review of all relevant transfer documents and financial data of transferee as reasonably requested by Franchisor.

6.2.3 Franchisor may impose any conditions Franchisor deems appropriate in connection with consenting to any proposed transfer by Developer. Such conditions may include, without limitation, any or all of the following:

(i) Developer has complied with the requirements of Section 6.4;

(ii) all obligations owed to Franchisor by Developer are fully paid and satisfied;

(iii) Developer (and any transferring owners, if Developer is a business entity) has executed a general release, in a form required by Franchisor, of any and all claims against Franchisor, including its equity owners, officers, managers, directors and employees, in their corporate and individual capacities including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Developer's interest herein or to the transfer of Developer's ownership of all or any part of the development rights; provided, however, that if a general release is prohibited by applicable law, Developer shall give the maximum release allowed by law;

(iv) the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require in Franchisor's sole and absolute discretion to demonstrate its ability to carry out the obligations contained herein and in the Franchise Documents;

(v) the transferee has executed a general release, in a form required by Franchisor, of any and all claims against Franchisor and its equity owners, officers, managers, directors and employees, in their corporate and individual capacities, with respect to any representations regarding the franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Developer;

(vi) Developer has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Developer and the prospective transferee relating to the intended sale or transfer;

(vii) Developer, or the transferee, has paid to Franchisor a transfer fee equal to the greater of: (a) 50% of the balance of the initial franchise fee due for each of the Centers that are required to be opened under the Development Schedule that are not yet open; or (b) the amount of the purchase price in excess of the Development Fee;

(viii) the transferee, and all holders of a legal or beneficial interest in the transferee, have agreed to be personally bound jointly and severally by all provisions of this Agreement;

(ix) the transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied; and

(x) Developer has, and if Developer is an entity, all of the holders of a legal and beneficial interest in Developer have, executed and delivered to Franchisor a non-competition agreement in a form designated by Franchisor.

6.3 **Transfer by Death or Incapacity.** Upon the death or Incapacity (as determined by a court of competent jurisdiction) of Developer or any holder of a legal or beneficial interest in Developer, if Developer is an entity, the appropriate representative of such person (whether administrator, personal representative or trustee) will, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest herein or transfer such individual's ownership of all or any part of the rights granted under this Agreement to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement.

6.4 **Franchisor's Right of First Refusal.** If Developer or its owners shall at any time, propose to sell, assign, transfer, convey, give away or encumber the development rights under this Agreement or any of their respective ownership interests in Developer ("Sale Assets"), Developer or its owners, as applicable, shall obtain a *bona fide*, executed written offer for the Sale Assets from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to Franchisor.

6.4.1 Franchisor shall then have a period of thirty (30) days from the date of delivery to Franchisor of such offer, the right, exercisable by written notice from Franchisor to Developer ("Exercise Notice"), to acquire the Sale Assets for the price and on the terms and conditions contained in such offer; provided, however, that Franchisor may substitute cash for any alternative form of payment proposed in such offer and Franchisor shall have not less than sixty (60) days from the date of delivery of the Exercise Notice to complete the acquisition of the Sale Assets. Franchisor's credit shall be deemed at least equal to the credit of any proposed purchaser.

6.4.2 If Franchisor does not exercise this right of first refusal by delivering to Developer an Exercise Notice, Developer shall comply with all provisions of this Agreement

governing the proposed transfer, including those set forth in Section 6.2. Without limiting the generality of the foregoing, Developer shall obtain Franchisor's prior written consent and comply with any and all conditions imposed by Franchisor in connection with the proposed transfer.

6.4.3 If Developer obtains Franchisor's prior written consent, and such sale, assignment, transfer, conveyance, gift or encumbrance of the Sale Assets is not completed within one hundred and twenty (120) days after delivery of such offer to Franchisor, or if adjustments to the purchase price for the Sale Assets is reduced by five percent (5%) or more from the price set forth in the initial offer, Franchisor shall have a new and independent right of first refusal to acquire the Sale Assets as provided herein. If Franchisor exercises a right of first refusal based upon a reduced price, Franchisor shall reimburse the party making the initial offer for its reasonable due diligence and transaction expenses incurred through the date of the exercise by Franchisor.

7. DEFAULT AND TERMINATION

7.1 **Termination Without Opportunity to Cure.** If Developer commits any act of default under this Agreement, and Developer fails to cure the default after any required notice and within the applicable cure period, then this Agreement shall terminate automatically without any requirement of further notice by Franchisor or to Developer. The cure period applicable to any act of default is set forth below; if a cure period for an act of default is not specifically set forth, it shall be 30 days. No cure period is allowed for certain acts of default described below. If any applicable law requires a longer notice period or a longer cure period than is provided in this Agreement, then the period required by law shall be substituted for time period provided below.

7.2 **Material Acts of Default**. The following acts are each a material act of default under this Agreement and shall be good cause for termination:

7.2.1 Developer makes or attempts to make an unauthorized sale, assignment, transfer, conveyance, gift or encumbrance of any part of its interest in this Agreement, the rights granted hereunder, or an ownership interest in Developer;

7.2.2 Developer has made any material misrepresentation or omission in its application for the rights conferred by this Agreement;

7.2.3 Developer is convicted of or pleads no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Marks;

7.2.4 Developer makes any unauthorized use of the Marks or unauthorized use or disclosure of the Confidential Information;

7.2.5 Developer fails to cure a default following the expiration of any applicable notice and cure periods under any Franchise Agreement entered into by and between Developer and Franchisor, or between Franchisor and any Developer Operating Entity;

7.2.6 Developer fails to meet or satisfy any timing requirement or deadline contained in the Development Schedule;

7.2.7 Developer fails to comply with any other provision of this Agreement and does not correct within 30 days after written notice from Franchisor; or

7.2.8 If Developer, or any person or entity controlling, controlled by or under common control with Developer, files a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or admitting or failing to contest the material allegations of any such pleading filed against Developer or such person, or is adjudicated bankrupt or insolvent or a receiver is appointed for a substantial part of the assets of Developer or any person controlling Developer, or a final judgment against Developer or such person or entity remains unsatisfied or remains of record for 30 days or longer (unless an appeal is timely taken and an appeal bond is filed), or if execution is levied against any rights of Developer hereunder or any substantial part of the assets of Developer or any person controlling Developer or a tax levy is made, or suit to foreclose any lien or mortgage on the premises or assets of any Center in the Development Area is instituted against Developer or any person controlling Developer and not dismissed within 30 business days, or if a substantial part of the real or personal property of any of Developer's Centers in the Development Area is sold after levy of

judgment thereupon by any sheriff, marshal or constable, or the claims of creditors of Developer are abated or subject to a moratorium under any law.

7.3 **Additional Rights and Remedies.** If any default by Developer remains uncured beyond the expiration of all applicable notice and cure periods, Franchisor may, at its option, elect any one or more of the following remedies:

7.3.1 Franchisor may modify, reduce and/or accelerate the Development Schedule;

7.3.2 Franchisor may terminate, modify and/or reduce the Development Area; or

7.3.3 Franchisor may elect any other right or remedy available to Franchisor under this Agreement, at law or in equity.

8. RIGHTS AND DUTIES ON TERMINATION OR EXPIRATION

8.1 **Loss of Development Rights.** Upon expiration or termination of this Agreement, this Agreement and all rights granted to Developer hereunder shall automatically terminate and:

8.1.1 Developer shall have no additional rights to establish or operate any Center for which a Franchise Agreement has not been executed by Franchisor and Developer or a Developer Operating Entity;

8.1.2 Developer shall immediately cease any further attempts to select or develop sites on which to construct Centers; and

8.1.3 Developer shall not identify itself as a current or former franchisee or developer of the System, except pursuant to rights which may be granted under any Franchise Agreement which is then in effect and remains in effect.

8.2 **No Cross Default**. No default under this Agreement shall constitute a default under any Franchise Agreement between the parties, except to the extent that any default under this Agreement constitutes a default under any Franchise Agreement in accordance

with the terms of the Franchise Agreement. Notwithstanding the above, the terms and conditions of each Franchise Agreement must be complied with by the Developer or the Developer Operating Entity thereunder and shall control in determining whether any default exists under such Franchise Agreement.

8.3 **Amounts Owed to Franchisor.** Developer shall immediately pay to Franchisor upon termination or expiration of this Agreement any amounts owed by Developer to Franchisor that are then unpaid, plus any interest due.

8.4 **Confidential Information.** Upon termination, transfer or expiration of this Agreement, Developer and all of its employees, agents or other representatives shall immediately cease to use and maintain the absolute confidentiality of any and all Confidential Information and shall not use such Confidential Information, including, without limitation, in connection with any other business or venture.

8.5 **Continuing Obligations.** All obligations of Franchisor and Developer under this Agreement that expressly or by their nature survive the expiration, transfer or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding the expiration, transfer or termination of this Agreement and until they are satisfied in full or by their nature expire.

9. OWNERS OF DEVELOPER

Developer represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Section 2 of Exhibit A constitute all of the holders of a legal or beneficial interest (in the stated proportions) of Developer (each an "Owner").

10. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

10.1 **Relationship.** This Agreement is purely a contractual relationship between the parties and does not appoint or make Developer an agent, legal representative, joint venturer, partner, employee, or servant of Franchisor for any purpose whatsoever; and it is deemed understood between the parties hereto that Developer shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty or

representation on behalf of Franchisor or to create any obligations, express or implied, on behalf of Franchisor.

10.1.1 The parties agree that this Agreement does not create a fiduciary relationship between Franchisor and Developer.

10.1.2 Under no circumstances shall Franchisor or Developer be liable for any act, omission, debt or any other obligation of the other. Without limiting the generality of the foregoing, Developer may not represent or imply to third parties that Developer is an agent of Franchisor.

10.1.3 Franchisor shall in no way be responsible for any injuries to persons or property resulting from the development of any Center pursuant to this Agreement.

10.1.4 Any third party contractors and vendors retained by Developer, including, without limitation, for architectural services, remodeling and/or construction are independent contractors of Developer alone.

10.2 **Indemnification.** Developer shall hold harmless and indemnify Franchisor, its affiliates, parents, subsidiaries, all holders of a legal or beneficial interest in Franchisor, its affiliates, parents, subsidiaries and all of Franchisor's and its affiliates', parents' and subsidiaries' officers, directors, executives, managers, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, that arise from, are based upon or are related to Developer's (a) construction, development, opening, ownership or operation of any Center; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Developer and Franchisor (or any of its Affiliates); (d) defamation of Franchisor or the System; (e) acts, errors or omissions by Developer or any of its officers, directors, employees or agents, committed or incurred in connection with the construction, development and/or operation of Centers, including any negligent or intentional acts; or (f)

infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information.

11. DISPUTE RESOLUTION; INJUNCTIVE RELIEF

11.1 **Dispute Resolution**. Except as qualified below in Section 11.2, any dispute involving Franchisor and Developer, Developer's Owners or Personal Guarantors (including the partners, officers, members, directors, heirs, beneficiaries or other similar parties claiming an interest through any of these entities) arising under, out of, or in any way connected with or related to this Agreement or the relationship between the parties must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the rules and procedures and under the auspices of the American Arbitration Association. The arbitration must take place in Orlando, Florida, or at such other place as may be mutually agreeable to the parties. Any arbitration must be resolved on an individual basis and not joined as part of a class action or the claims of other parties. The arbitrators must follow the law and not disregard the terms of this Agreement. The arbitrators appointed must have at least 5 years' experience in franchising or in franchise law. The decision of the arbitrators will be final and binding on all parties to the dispute; however, the arbitrators may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award that extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance set by Franchisor. Judgment upon the award may be entered in any court having jurisdiction thereof.

11.1.1 Except as qualified below in Section 11.2, before Developer or Franchisor can initiate arbitration or litigation in connection with a dispute arising under this Agreement, the parties agree to meet in person for at least two hours at Franchisor's home office in an attempt to resolve the dispute. The meeting will be on an individual basis between Developer and at least one member of Franchisor's executive team and must take place within two weeks of a party's request for the meeting, and each party must pay its own costs and expenses with respect to the meeting. If a party refuses to participate in this meeting, the refusing party must pay $5,000 to the other party.

11.2 **Injunctive Relief**. Notwithstanding Section 11.1 above, Developer recognizes that Developer's Business is one of a number of businesses identified by the Marks, and hence the failure on Developer's part to comply with the terms of this Agreement could cause irreparable damage to us and/or to some or all of our other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by Developer, Franchisor will forthwith be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. Similarly, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by Developer, Franchisor will forthwith be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators.

11.2.1 The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party. Finally, Franchisor reserves the right to commence a civil action against Developer or take other appropriate action for the following reasons: to collect sums of money due to us; to compel your compliance with trademark standards and requirements to protect the goodwill of the Marks; or to compel you to compile and submit required reports to us.

11.3 **Attorneys' Fees**. The prevailing party in any legal proceeding before a court, arbitrators or other tribunal to enforce the terms and provisions of this Agreement is entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. This Section 11.3 will survive termination or expiration of this Agreement.

11.4 **Enforcement**. During the term of this Agreement, if Developer does not give Franchisor written notice of the alleged breach within one year from the date that Developer has knowledge of circumstances reasonably indicating that you may have a claim for our breach of this Agreement, then the alleged breach is deemed to be waived by Developer in all respects and Developer will be barred from commencing any legal or other action against us for the alleged

breach. Furthermore, upon expiration or termination of this Agreement, Developer may not assert any claim or cause of action against Franchisor relating to this Agreement, the relationship between the parties or the performance of obligations hereunder unless commenced within one year following the effective date of expiration or termination of this Agreement. Notwithstanding the preceding two sentences, where the one-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

12. GENERAL CONDITIONS AND PROVISIONS

12.1 **Superiority of Franchise Agreement.** Developer acknowledges that any and all Franchise Agreements executed in connection with an individual Center within the Development Area are independent of this Development Agreement. The continued existence of any such Franchise Agreement shall not depend on the continuing existence of this Agreement. If any conflict shall arise in connection with this Agreement and any such Franchise Agreement, the latter shall have precedence and superiority over the former.

12.2 **No Waiver.** No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Developer shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance or omission of Franchisor to exercise any power or rights arising out of any breach or default by Developer of any of the terms, provisions or covenants hereof affect or impair Franchisor's rights, nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach of default. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants or conditions of this Agreement. Acceptance by Franchisor of payments due hereunder from any person or entity other than Developer shall be deemed to be acceptance from such person or entity as an agent

of Developer and not as recognition of such person or entity as an assignee of or successor to Developer.

12.3 **Notices**. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or of termination, by registered or certified mail, and addressed as follows:

1. If intended for Franchisor, addressed to the CEO, Pirtek USA LLC, 300 Gus Hipp Boulevard, Rockledge, Florida 32955;

2. If intended for Developer or its Controlling Owner, addressed to or, _____.

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section.

12.4 **Personal Guarantee.** All Owners who directly or indirectly own a 10% or greater interest in the Developers hall be required to execute the Personal Guarantee attached as Exhibit C, through which such Owners agree to assume and discharge all of Developer's obligations under this Agreement and to be personally liable hereunder for all of the same.

12.5 **Approvals.** Whenever this Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Developer may rely and assumes no liability or obligation to Developer or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Developer in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

12.6 **Entire Agreement.** This Agreement, including all Exhibits hereto, constitute the entire, full, and complete agreement and understanding between the parties concerning

the subject matter hereof. Both parties acknowledge and agree that there are no oral or written representations, promises, assurances, warranties, covenants, "side deals", rights of first refusal, options or understandings other than those expressly contained in this Agreement. This Agreement supersedes all prior agreements, and no other representations, promises, warranties, assurances, covenants, "side deals", rights of first refusal, options or understandings having induced Developer to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document Franchisor furnished to Developer. This Agreement may not be amended or supplemented by a course of conduct.

12.7 **Severability and Modification.**

12.7.1 Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement.

12.7.2 Notwithstanding the above, each of the covenants contained in Sections 0 and 0 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Confidential Information or on competition to the maximum extent permitted by law.

12.8 **Construction.** All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

12.9 **Force Majeure.** Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies to Franchisor, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorist acts, or governmental regulation, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

12.10 **Timing. TIME IS OF THE ESSENCE.** Failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

12.11 **Authority**. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our President.

12.12 **References**. If Developer is two or more individuals, the individuals are jointly and severally liable, and references to Developer in this Agreement includes all such individuals.

12.13 **Interpretation of Rights and Obligations**. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

12.13.1 **Applicable Law**. This Agreement is governed by and interpreted in accordance with the laws of the state of Florida. While the laws of Florida shall apply, Florida conflicts of law rules shall not be used to apply the laws of a state other than the state of Florida. Developer or any Controlling Owner acknowledge and agree that any Florida franchise or business opportunity law shall not apply. Developer expressly waives any rights or protections Developer has 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. Subject to Section 11.1, 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 the Federal District Court for the Middle District of Florida, or if such court lacks jurisdiction, the Eighteenth Judicial Circuit (or its successor) in and for Brevard County, Florida. Both parties hereto irrevocably admit themselves to, and consent to, the exclusive jurisdiction of said courts. The provisions of this Section will survive the termination of this Agreement.

12.13.2 Our Reasonable Business Judgment. Whenever Franchisor reserves or is deemed to have reserved discretion in a particular area or where Franchisor agrees or is deemed to be required to exercise its rights reasonably or in good faith, Franchisor will satisfy its obligations whenever Franchisor exercises Reasonable Business Judgment in making its decision or exercising its rights. A decision or action by Franchisor will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of Franchisor. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System.

12.14 JURY WAIVER. **DEVELOPER AND FRANCHISOR HEREBY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH THE ENFORCEMENT OR INTERPRETATION BY JUDICIAL PROCESS OF ANY PROVISION OF THIS AGREEMENT, AND IN CONNECTION WITH ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION OR SIMILAR CAUSES OF ACTION OR ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES FOR BREACH OF THIS AGREEMENT.**

12.15 WAIVER OF PUNITIVE DAMAGES. **DEVELOPER AND FRANCHISOR (AND OUR RESPECTIVE OWNERS AND GUARANTORS, IF APPLICABLE) AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR CLAIM**

FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN US, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

13. ACKNOWLEDGMENTS

13.1 **Independent Investigation.** Developer acknowledges that Developer has conducted an independent investigation of the development opportunity and recognizes that the business venture contemplated by this Agreement involves business risks. Developer's success in this business is not guaranteed, is speculative and depends, to an important extent, upon Developer's ability as an independent businessperson. Franchisor does not represent or warrant that any Center will achieve a certain level of sales or be profitable, notwithstanding Franchisor's approval of any Center location. Franchisor expressly disclaims the making of, and Developer acknowledges that Developer has not received or relied on, any warranty or guarantee, express or implied, as to the potential volume, profits, earnings or success of the business venture contemplated by this Agreement. By signing this Agreement, Developer acknowledges that Developer has entered into it after making an independent investigation of the System. Developer has no knowledge of any representations by Franchisor, or its officers, directors, shareholders, employees, or agents about the business contemplated by this Agreement, that are contrary to the terms of this Agreement or the documents incorporated in this Agreement. As an inducement to Franchisor's entry into this Agreement, Developer promises that Developer has made no misrepresentations in obtaining this Agreement.

13.2 **FDD Acknowledgment.** Developer acknowledges that Developer received, read and understood this Agreement, and all attachments, including a copy of Franchisor's Franchise Disclosure Document ("FDD"); Developer received the FDD, including Franchisor's standard development agreement, franchise agreement and all related agreements, at least 14 calendar days prior to the date on which this Agreement was signed or making any payments to Franchisor. Developer received a substantially complete version of this Agreement and all attachments at least seven calendar days before signing this Agreement.

13.3 **Different Forms of Agreement.** Developer is aware of the fact that some of Franchisor's current and future franchisees may operate under different forms of agreement and under variations of the System and, consequently, that Franchisor's obligations and rights with respect to Franchisor's various franchisees may differ materially in certain circumstances. Developer understands that variations of the System and forms of development and franchise agreements will not benefit Developer or modify in any way Developer's obligations under this Agreement.

13.4 **Consultation with Business Advisor.** Developer acknowledges that Developer has read and understood this Agreement, the attachments hereto and all agreements relating thereto, if any, and that Franchisor has accorded Developer ample time and opportunity to consult with advisors of Developer's own choosing about the potential benefits and risks of entering into this Agreement.

13.5 **No Reliance.** Developer acknowledges that Developer is relying solely on Franchisor and not on any affiliated entity or parent company related to Franchisor with regard to Franchisor's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing Franchisor has made any statement or promise to the effect that any affiliated entities or parent companies guarantee Franchisor's performance or financially back Franchisor.

13.6 **Anti-Terrorist Activities and Representations.** Developer certifies and warrants that neither Developer, nor any of Developer's owners, principals, employees or associates (including all shareholders, members or partners (as applicable)), are (i) a person or entity designated by the U.S. Government on the list of the Specially Designated Nationals and Blocked Persons (the "SDN List"), as maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") at http://www.ustreas.gov/offices/enforcement/ofac/sdn, with which a U.S. person or entity cannot deal with or otherwise engage in business transactions; (ii) a person or entity who is otherwise the target of U.S. economic sanctions and trade embargoes enforced and administered by OFAC, such that a U.S. person or entity cannot deal or otherwise engage in business transactions with Developer or Developer's shareholders, members or partners; (iii) either wholly or partly owned or partly controlled by any person or entity on the SDN List,

including, without limitation by virtue of such person being a director or owning voting shares or interests in an entity on the SDN List; (iv) a person or entity acting, directly or indirectly, for or on behalf of any person or entity on the SDN List; or (v) a person or entity acting, directly or indirectly, for or on behalf of a foreign government that is the target of the OFAC sanctions regulations such that the entry into this Agreement would be prohibited under U.S. law.

13.6.1 Developer shall comply with, and assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with, the Anti-Terrorism Laws (as defined below). Developer shall not hire nor have any dealings with any person listed on the SDN List, as it may be modified from time to time. Developer is solely responsible for ascertaining what actions must be taken by Developer to comply with all Anti-Terrorism Laws. Developer specifically acknowledges and agrees that Developer's indemnification obligations under this Agreement pertain to Developer's obligations under this Section 13.6. Any misrepresentation by Developer under this Section 13.6, or any violation of any Anti-Terrorism Laws by Developer, Developer's owners, principals or employees, shall constitute grounds for immediate termination of this Agreement and any other agreement Developer has entered into with Franchisor or its affiliates. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.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 Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

13.7 **No Violation of Other Agreements.** Developer represents that its execution of this Development Agreement will not violate any other agreement or commitment to which Developer or any holder of a legal or beneficial interest in Developer is a party.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement on the day and year first above written.

FRANCHISOR:

PIRTEK USA LLC

By:_____

Print Name:_____

Title:_____

DEVELOPER:

_____

WITNESS

By:_____

Print Name:_____

Title:_____

EXHIBIT A TO DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT DATA SHEET

1. **Effective Date:** _____
   Expiration Date: _____

2. **Developer Information.** (Check and complete as appropriate.)

☐ a. The following individual(s) is the Developer: _____

_____

Address: _____

Telephone Number: _____

☐ b. The Developer is the following corporation:

Name: _____

State of Incorporation: _____

Shareholder Name (each an "Owner")	Shareholder Address & Telephone Number	Number of Shares

List of all Officers & Directors: _____

_____

Telephone Number: _____

☐ c. The Developer is the following limited liability company:

Name: _____

State of Formation: _____

Member Name (each an "Owner")	Member Address & Telephone Number	Percentage Ownership Interest

List of all Managers & Officers: _____

_____

Telephone Number: _____

3. **Development Area**: The Development Area shall be comprised of the following area:

_____

_____

☐ Exceptions to Exclusive Rights to Development Area in (Identify any existing company-owned or franchised PIRTEK® Centers within the Development Area or indicate "none"): _____

_____

4. **Development Fee**. $_____

5. **Credits.**

a. Franchisee shall have paid the Initial Franchise Fee in full for the first Center to be developed pursuant to, and in accordance with, this Development Agreement upon execution of this Development Agreement; and

b. Franchisor shall credit $25,000 of the Development Fee to the Initial Franchise Fee for the second and each additional Center to be developed pursuant to, and in accordance with, this Development Agreement, until such credits equal the Development Fee.

EXHIBIT B TO DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

PIRTEK Business Number	Date by Which Franchise Agreement Must be Signed	Date by Which Proposed Franchised Location Site Must be Provided to Us	Date by Which PIRTEK Business Must Opened	Cumulative Number of PIRTEK Businesses to be Open and Operating in the Area no Later Than the Opening Dates (on the Previous Column)

If you open the first PIRTEK Business before the First Deadline, the deadlines for opening the subsequent PIRTEK Business will remain the specified number of months after the First Deadline (rather than the specified number of months from the preceding PIRTEK Business's actual opening date).

EXHIBIT C TO DEVELOPMENT AGREEMENT

PERSONAL GUARANTEE

RECITALS

A. The undersigned constitute all shareholders, members, partners, or other persons or entities interested in effecting the grant of the PIRTEK USA LLC Development Agreement (the "Development Agreement") by **PIRTEK USA LLC** ("Franchisor") to _____ ("Developer");

B. Franchisor is relying on this Guarantee to ensure that there are sufficient assets to develop and open the Center (as defined in the Development Agreement) and to protect Franchisor in the event Developer commits a default under the Development Agreement;

C. Franchisor is only willing to enter into the Development Agreement if the undersigned personally guarantee Developer's obligations thereunder;

1. The undersigned hereby represent and warrant that they constitute [*check all that apply*]:

☐ the shareholders of one hundred percent (100%) of the originally issued and outstanding capital stock of the Developer, a corporation;

☐ one hundred percent (100%) of the members of the Developer, a limited liability company ("LLC");

2. The undersigned individuals personally, jointly and severally, hereby agree to be individually bound by all the terms and conditions of the Development Agreement, including any amendments thereto, whenever made, and absolutely, irrevocably and unconditionally guarantee to Franchisor, and its successors and assigns, that all of Developer's obligations under the Development Agreement will be punctually paid and performed.

3. The undersigned acknowledges and agrees that Franchisor has entered into the Development Agreement with Developer solely on the condition that each owner of Developer be personally obligated and jointly and severally liable with Developer (and with each other owner of Developer) for the performance of each and every obligation of Developer (and its owners) under the Development Agreement, any amendments to the Development Agreement, any extensions or renewals under the agreement and under each and every agreement ancillary to the Development Agreement, including any franchise agreement that has been or hereafter may be entered by Developer and Franchisor (all aforementioned agreements are collectively referred to as the "PIRTEK Agreements"). Without limiting the generality of the foregoing, the undersigned agree specifically to be bound by the confidentiality requirements and the covenant against competition in the Development Agreement.

4. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust, or compromise any claims against Developer.

5. This Guarantee is effective until all terms of the PIRTEK Agreements have been fully and completely performed by Developer. No release of Developer or discharge of Developer under bankruptcy law, or any other law, shall impair or effect the obligations of Guarantor(s) to Franchisor hereunder.

6. Guarantor(s) jointly and severally agree(s) to pay all attorneys' fees, costs and expenses (including any and all Royalty Fees and Advertising Fees and associated interest on such amounts, that are determined to be owing to Franchisor due to underreporting by Developer) incurred by Franchisor in enforcing this Guarantee, whether or not suit or action is filed, and if suit or action is filed, then through trial and all appeals, and also in any proceedings or matter in Bankruptcy Court; Guarantor(s) assume all liability for all losses, costs, attorney's fees, and expenses that Franchisor incurs as a result of a default by Developer, including those fees and expenses incurred in a bankruptcy proceeding involving Developer.

7. The undersigned hereby waives:

(i) notice of amendment of the PIRTEK Agreements and notice of demand for payment or performance by Developer of any obligation under the PIRTEK Agreements;

(ii) presentment or protest of any instrument and notice thereof, and notice of default or intent to accelerate with respect to the indebtedness or nonperformance of any of Developer's obligations under the PIRTEK Agreements;

(iii) any right the undersigned may have to require that an action be brought against Developer or any other person as a condition of liability;

(iv) the defense of statute of limitations in any action hereunder or for the collection or performance of any obligation;

(v) any and all rights to payments, indemnities and claims for reimbursement or subrogation that the undersigned may have against Developer arising from the undersigned's execution of and performance under this Guarantee;

(vi) any defense based on any irregularity or defect in the creation of any of the obligations or modification of the terms and conditions of performance thereof;

(vii) any defense based on the failure of Franchisor or any other party to take, protect, perfect or preserve any right against and/or security granted by Developer or any other party; and

(viii) any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

8. Upon default by Developer or notice from Franchisor, the undersigned will immediately make each payment and perform each obligation required of Developer under the PIRTEK Agreements. Without limiting the generality of the foregoing, the undersigned acknowledges that Franchisor is not required to proceed first against the Developer, but may proceed first against the undersigned or any of them alone or concurrent with proceeding against Developer. The obligations of Guarantor(s) hereunder are absolute and unconditional

9. Dispute Resolution; Governing Law; Jurisdiction; Venue.

i. This Guarantee and any claims related thereto, shall be governed by, interpreted and construed under the laws of the state of Florida, which laws shall prevail in the event of any conflict of law.

ii. Any dispute involving Franchisor and Developer, Developer's Owners or Personal Guarantors (including the partners, officers, members, directors, heirs, beneficiaries or other similar parties claiming an interest through any of these entities) arising under, out of, or in any way connected with or related to this Agreement or the relationship between the parties must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the rules and procedures and under the auspices of the American Arbitration Association. The arbitration must take place in Orlando, Florida, or at such other place as may be mutually agreeable to the parties. Any arbitration must be resolved on an individual basis and not joined as part of a class action or the claims of other parties. The arbitrators must follow the law and not disregard the terms of this Agreement. The arbitrators appointed must have at least 5 years' experience in franchising or in franchise law. Judgment upon the award may be entered in any court having jurisdiction thereof.

10. The undersigned hereby waive any right to trial by jury that they may have in any action brought by Franchisor related directly or indirectly to this Guarantee and/or the PIRTEK Agreements, the negotiation of the Guarantee and/or the PIRTEK Agreements, or PIRTEK Agreements.

11. If one or more provisions contained in this Guarantee shall be invalid, illegal or unenforceable, in any respect under the laws of any jurisdiction, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12. Each of the undersigned acknowledges that (i) it is a condition to the granting of the Development Agreement to Developer that each of the undersigned shall execute and deliver this Guarantee to Franchisor, (ii) that Franchisor has entered into the Development Agreement in reliance upon the agreement of the undersigned to do so, and (iii) that, as owners of the Developer, the undersigned have received adequate consideration to support their execution of this Guarantee. This Guarantee does not grant or create in the undersigned any interests, rights or privileges in the PIRTEK Agreements, or any franchise or development agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee as of the date of this Guarantee.

GUARANTORS:

Date:_____ By: _____
Print Name:_____, an individual
Home Address:_____
_____

Date:_____ By: _____
Print Name:_____, an individual
Home Address:_____
_____

RIDER TO THE PIRTEK USA LLC DEVELOPMENT AGREEMENT FOR USE IN CALIFORNIA

This Rider (the "**Rider**") is made and entered into as of the Effective Date as stated in the Development Agreement (defined below), by and between **Pirtek USA LLC**, a Delaware limited liability company with its principal business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("**we**," "**us**" or "**PIRTEK**"), and _____, a _____ _____, whose principal business address is_____("**you**" or "**Developer**").

1. **Background**. We and you are parties to that certain Development Agreement (the "**Agreement**") that has been signed at the same time as the signing of this Rider. This Rider is part of the Agreement. This Rider is being executed because the Development Area to be developed by Developer pursuant to the Agreement will be located in the State of California and/or because Developer is a resident of the State of California.

2. In recognition of the requirements of the California Franchise Investment Law, Cal. Code § 31000 *et seq.* (the "Act"), we and you agree as follows:

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

2. The Agreement contains a provision requiring application of the laws of Florida. This provision may not be enforceable under California law.

3. The Act supersedes any provisions of the Agreement or Florida law if such provisions are in conflict with the Act.

4. Any provision in the Agreement which designates jurisdiction or venue or requires Developer to agree to jurisdiction or venue, in a forum outside of California, is deleted from the Agreement.

5. The Agreement contains a waiver of punitive damages and jury trial provisions. These waivers may not be enforceable in California.

6. The Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law.

7. The Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

8. Nothing contained in the Agreement shall constitute a condition, stipulation or provision purporting to bind any person to waive compliance with any provision of the Act (as long as the jurisdictional requirements of the Act are met). Section

31512 voids a waiver of your rights under the Franchise Investment Law. California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043).

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

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

FRANCHISOR

PIRTEK USA LLC
a Delaware limited liability company

By: _____
Printed Name:_____
Title:_____

Date: _____

DEVELOPER

(IF ENTITY):

_____
[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

Date: _____, 202__

RIDER TO THE PIRTEK USA LLC DEVELOPMENT AGREEMENT
FOR USE IN HAWAII

This Rider (the "**Rider**") is made and entered into as of the Effective Date as stated in the Development Agreement (defined below), by and between **Pirtek USA LLC**, a Delaware limited liability company with its principal business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("**we**," "**us**" or "**PIRTEK**"), and _____, a _____ _____, whose principal business address is_____("**you**" or "**Developer**").

1. **Background**. We and you are parties to that certain Development Agreement (the "**Agreement**") that has been signed at the same time as the signing of this Rider. This Rider is part of the Agreement. This Rider is being executed because the Development Area to be developed by Developer pursuant to the Agreement will be located in the State of Hawaii and/or because Developer is a resident of the State of Hawaii.

2. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, *et seq.* (the "Act"), we and you agree as follows:

1. Article 6 of the Agreement shall be supplemented by the addition of the following, which shall be considered an integral part of the Agreement:

   Hawaii Law: If any of the provisions of this Article 6 are inconsistent with Section Hawaii Rev. Stat. § 482E-6, then Hawaii Rev. Stat. § 482E-6 shall apply.

2. Article 7 of the Agreement shall be supplemented by the addition of the following, which shall be considered an integral part of the Agreement:

   Hawaii Law: If any of the provisions of this Article 7 are inconsistent with Section Hawaii Rev. Stat. § 482E-6, then Hawaii Rev. Stat. § 482E-6 shall apply.

3. No release, assignment, novation, or waiver set forth in the Agreement will relieve PIRTEK or any other person from liability imposed by the Act. Any condition, stipulation or provision binding any person acquiring any franchise to waive compliance with any provision of the Act or a rule promulgated thereunder shall be void. This paragraph shall not bar or affect the settlement of disputes, claims or civil suits arising or brought under the Act.

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

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

FRANCHISOR

PIRTEK USA LLC
a Delaware limited liability company

By: _____
Printed Name:_____
Title:_____

Date: _____

DEVELOPER

(IF ENTITY):

_____
[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

Date: _____, 202__

RIDER TO THE PIRTEK USA LLC DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS

This Rider (the "**Rider**") is made and entered into as of the Effective Date as stated in the Development Agreement (defined below), by and between **Pirtek USA LLC**, a Delaware limited liability company with its principal business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("**we**," "**us**" or "**PIRTEK**"), and _____, a _____ _____, whose principal business address is_____("**you**" or "**Developer**").

1. **Background**. We and you are parties to that certain Development Agreement (the "**Agreement**") that has been signed at the same time as the signing of this Rider. This Rider is part of the Agreement. This Rider is being executed because the Area to be developed by Developer pursuant to the Agreement will be located in the State of Illinois and/or because Developer is a resident of the State of Illinois.

2. **Illinois Franchise Disclosure Act**. In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, Ill. Comp. Stat. §§ 705/1 to 705/44 (the "Act"), we and you agree as follows:

(1) Illinois law governs the Agreement.

(2) Developer's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Act.

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

(4) Developer may sue in Illinois for claims arising under the Act. Any claims arising under the Act must be brought within the periods of limitation set forth in Section 27 of the Act.

(5) Developer's rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

(6) In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

FRANCHISOR

PIRTEK USA LLC
a Delaware limited liability company

By: _____

By: _____
Printed Name:_____
Title:_____

Date: _____

FRANCHISEE

(IF ENTITY):

_____
[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

Date: _____, 202__

RIDER TO THE PIRTEK USA LLC DEVELOPMENT AGREEMENT
FOR USE IN INDIANA

This Rider (the "**Rider**") is made and entered into as of the Effective Date as stated in the Development Agreement (defined below), by and between **Pirtek USA LLC**, a Delaware limited liability company with its principal business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("**we**," "**us**" or "**PIRTEK**"), and _____, a _____ _____, whose principal business address is_____("**you**" or "**Developer**").

1. **Background**. We and you are parties to that certain Development Agreement (the "**Agreement**") that has been signed at the same time as the signing of this Rider. This Rider is part of the Agreement. This Rider is being executed because the Area to be developed by Developer pursuant to the Agreement will be located in the State of Indiana and/or because Developer is a resident of the State of Indiana.

2. In recognition of the requirements of the Ind. Code tit. 23, art. 2, ch. 2.5, §§ 1 to 51 (the "Act"), we and you agree as follows:

1. The Act supersedes any provisions of the Agreement or Florida law if such provisions are in conflict with the Act.

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 therein as a material breach of the Agreement, will supersede the provisions of the Agreement to the extent they may be inconsistent with such prohibition.

3. No release, waiver, or estoppel language set forth in the Agreement will relieve PIRTEK or any other person, directly or indirectly, from liability imposed by the Act.

4. Any provision in the Agreement which limits litigation brought for breach of the Agreement, in any manner whatsoever is deleted from the Agreement.

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

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

FRANCHISOR

PIRTEK USA LLC
a Delaware limited liability company

By: _____
Printed Name:_____
Title:_____

Date: _____

DEVELOPER

(IF ENTITY):

_____
[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

Date: _____, 202__

RIDER TO THE PIRTEK USA LLC DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND

This Rider (the "**Rider**") is made and entered into as of the Effective Date as stated in the Development Agreement (defined below), by and between **Pirtek USA LLC**, a Delaware limited liability company with its principal business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("**we**," "**us**" or "**PIRTEK**"), and _____, a _____ _____, whose principal business address is_____("**you**" or "**Developer**").

1. **Background**. We and you are parties to that certain Development Agreement (the "**Agreement**") that has been signed at the same time as the signing of this Rider. This Rider is part of the Development Agreement. This Rider is being executed because the Area to be developed by Developer pursuant to the Agreement will be located in the State of Maryland and/or because Developer is a resident of the State of Maryland.

2. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (the "Act"), we and you agree as follows:

1. The general release language contained in the Agreement shall not relieve PIRTEK or any other person, directly or indirectly, from liability under the Act.

2. The Act may supersede the Agreement, including the areas of termination and renewal of the franchise.

3. Developer may sue in Maryland for claims arising under the Act. Any claims arising under the Act must be brought within three years after the grant of the franchise.

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

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

FRANCHISOR

PIRTEK USA LLC
a Delaware limited liability company

By: _____

Printed Name: _____
Title: _____

Date: _____

FRANCHISEE

(IF ENTITY):

_____
[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

Date: _____, 202__

RIDER TO THE PIRTEK USA LLC DEVELOPMENT AGREEMENT FOR USE IN MINNESOTA

This Rider (the "**Rider**") is made and entered into as of the Effective Date as stated in the Development Agreement (defined below), by and between **Pirtek USA LLC**, a Delaware limited liability company with its principal business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("**we**," "**us**" or "**PIRTEK**"), and _____, a _____ _____, whose principal business address is_____("**you**" or "**Developer**").

1. **Background**. We and you are parties to that certain Development Agreement (the "**Agreement**") that has been signed at the same time as the signing of this Rider. This Rider is part of the Agreement. This Rider is being executed because the area to be developed by Developer pursuant to the Agreement will be located in the State of Minnesota and/or because Developer is a resident of the State of Minnesota.

2. In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder, we and you agree as follows:

1. Article 7 of the Agreement, under the heading "Default and Termination," shall be supplemented by the following new Section 7.4, which shall be considered an integral part of this Agreement:

   7.4 **Minnesota Law**: Minnesota law provides certain termination, non-renewal, and transfer rights. In sum, Minn. Stat. § 80C.14 (subd. 3, 4, and 5) currently require, except in certain specified cases, that a Developer be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement, and that consent to transfer not be unreasonably withheld by us. In addition, Minn. Stat § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring consent to liquidated damages, termination penalties or judgment notes; and nothing in the Agreement can abrogate or reduce any of Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Developer's rights to a jury trial or any procedure, forum, or remedies as may be provided for by the laws of the jurisdiction. Finally, any general release executed pursuant to the Agreement shall exclude such claims that have arisen under the Minnesota Franchise Act and the Rules and Regulations promulgated thereunder.

2. PIRTEK shall indemnify Developer against liability to third parties resulting from claims by third parties that the Developer's use of the trademarks of PIRTEK infringes trademark rights of the third party. PIRTEK does not indemnify Developer against the consequences of Developer's use of PIRTEK's trademarks except in accordance with the requirements of the Agreement, and, as a condition to indemnification, Developer must provide notice to PIRTEK of any such claim and tender the defense of the claim to PIRTEK within ten (10) days after the claim is asserted. If PIRTEK accepts the tender of defense, PIRTEK has the right to

manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

3. Minn. Stat. § 80C.17, subd. 5, which requires that claims under the Minnesota Franchise Act be commenced within 3 years of the date the cause of action accrues.

4. Each provision of this Rider shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act or the Rules and Regulations promulgated thereunder are met independently without reference to this Rider.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

FRANCHISOR

PIRTEK USA LLC
a Delaware limited liability company

By: _____
Printed Name:_____
Title:_____

Date: _____

DEVELOPER

(IF ENTITY):

_____
[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

Date: _____, 202__

RIDER TO THE PIRTEK USA LLC DEVELOPMENT AGREEMENT
FOR USE IN NEW YORK

This Rider (the "**Rider**") is made and entered into as of the Effective Date as stated in the Development Agreement (defined below), by and between **Pirtek USA LLC**, a Delaware limited liability company with its principal business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("**we**," "**us**" or "**PIRTEK**"), and _____, a _____ _____, whose principal business address is_____("**you**" or "**Developer**").

1. **Background**. We and you are parties to that certain Development Agreement (the "**Agreement**") that has been signed at the same time as the signing of this Rider. This Rider is part of the Agreement. This Rider is being executed because the area to be developed by Developer pursuant to the Agreement will be located in the State of New York and/or because Developer is a resident of the State of New York.

2. In recognition of the requirements of the New York franchise law, NY Gen. Bus. Law Art. 33, §§ 680 through 695 (the "Act"), the parties to the attached Pirtek USA LLC Development Agreement agree as follows:

1. No release language set forth in the Agreement will relieve PIRTEK or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of New York.

2. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act, or rule promulgated hereunder, shall be void.

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

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

FRANCHISOR

PIRTEK USA LLC
a Delaware limited liability company

By: _____
Printed Name:_____
Title:_____

Date: _____

DEVELOPER

(IF ENTITY):

_____
[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

Date: _____, 202__

RIDER TO THE PIRTEK USA LLC DEVELOPMENT AGREEMENT FOR USE IN NORTH DAKOTA

This Rider (the "**Rider**") is made and entered into as of the Effective Date as stated in the Development Agreement (defined below), by and between **Pirtek USA LLC**, a Delaware limited liability company with its principal business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("**we**," "**us**" or "**PIRTEK**"), and _____, a _____ _____, whose principal business address is_____("**you**" or "**Developer**").

1. **Background**. We and you are parties to that certain Development Agreement (the "**Agreement**") that has been signed at the same time as the signing of this Rider. This Rider is part of the Agreement. This Rider is being executed because the area to be developed by Developer pursuant to the Agreement will be located in the State of North Dakota and/or because Developer is a resident of the State of North Dakota.

2. In recognition of the requirements of the North Dakota Franchise Investment Law, §§ 51-19-01 through 51-19-17 (the "Act"), we and you agree as follows:

1. The Act supersedes any provisions of the Agreement or Florida law if such provisions are in conflict with the Act. The Agreement will be governed by North Dakota law, rather than Florida law, as stated in Section 12.13.1 of the Agreement.

2. Any provision in the Agreement which designates jurisdiction or venue or requires Developer to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from the Agreement.

3. Any references in the Agreement to any requirement to consent to a waiver of exemplary and punitive damages are deleted.

4. No release language set forth in the Agreement will relieve PIRTEK or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.

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

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

FRANCHISOR

PIRTEK USA LLC
a Delaware limited liability company

By: _____
Printed Name:_____
Title:_____

Date: _____

DEVELOPER

(IF ENTITY):

_____
[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

Date: _____, 202__

RIDER TO THE PIRTEK USA LLC DEVELOPMENT AGREEMENT
FOR USE IN RHODE ISLAND

This Rider (the "**Rider**") is made and entered into as of the Effective Date as stated in the Development Agreement (defined below), by and between **Pirtek USA LLC**, a Delaware limited liability company with its principal business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("**we**," "**us**" or "**PIRTEK**"), and _____, a _____ _____, whose principal business address is_____("**you**" or "**Developer**").

1. **Background**. We and you are parties to that certain Development Agreement (the "**Agreement**") that has been signed at the same time as the signing of this Rider. This Rider is part of the Agreement. This Rider is being executed because the area to be developed by Developer pursuant to the Agreement will be located in the State of Rhode Island and/or because Developer is a resident of the State of Rhode Island.

2. In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34 (the "Act"), we and you agree as follows:

1. Section 12.13.1 of the Agreement shall be supplemented by the following, which shall be considered an integral part of this Agreement:

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

2. Section 6-50-4 of the Act may supersede the Agreement in your relationship with PIRTEK including the areas of termination and renewal of your franchise.

3. In the event of a conflict of laws, the provisions of the Act shall prevail.

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

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

FRANCHISOR

PIRTEK USA LLC
a Delaware limited liability company

By: _____
Printed Name:_____
Title:_____

Date: _____

DEVELOPER

(IF ENTITY):

_____
[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

Date: _____, 202__

RIDER TO THE PIRTEK USA LLC DEVELOPMENT AGREEMENT FOR USE IN WASHINGTON

This Rider (the "**Rider**") is made and entered into as of the Effective Date as stated in the Development Agreement (defined below), by and between **Pirtek USA LLC**, a Delaware limited liability company with its principal business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("**we**," "**us**" or "**PIRTEK**"), and _____, a _____ _____, whose principal business address is_____("**you**" or "**Developer**").

1. **Background**. We and you are parties to that certain Development Agreement (the "**Agreement**") that has been signed at the same time as the signing of this Rider. This Rider is part of the Agreement. This Rider is being executed because the area to be developed by Developer pursuant to the Agreement will be located in the State of Washington and/or because Developer is a resident of the State of Washington.

2. In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940 (the "Act"), we and you agree as follows:

1. Section 19.100.180 of the Act may supersede the Agreement in your relationship with PIRTEK including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Agreement in your relationship with PIRTEK including the areas of termination and renewal of your franchise.

2. In the event of a conflict of laws, the provisions of the Act shall prevail.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Agreement, a Developer may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.

4. A release or waiver of rights executed by Developer shall not include rights under the 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.

5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a Developer, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a Developer under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a Developer from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Agreement or elsewhere are void and unenforceable in Washington.

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

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

FRANCHISOR

PIRTEK USA LLC
a Delaware limited liability company

By: _____
Printed Name:_____
Title:_____

Date: _____

DEVELOPER

(IF ENTITY):

_____
[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

Date: _____, 202__

RIDER TO THE PIRTEK USA LLC DEVELOPMENT AGREEMENT
FOR USE IN WISCONSIN

This Rider (the "**Rider**") is made and entered into as of the Effective Date as stated in the Development Agreement (defined below), by and between **Pirtek USA LLC**, a Delaware limited liability company with its principal business address at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("**we**," "**us**" or "**PIRTEK**"), and _____, a _____ _____, whose principal business address is_____("**you**" or "**Developer**").

1. **Background**. We and you are parties to that certain Development Agreement (the "**Agreement**") that has been signed at the same time as the signing of this Rider. This Rider is part of the Agreement. This Rider is being executed because the area to be developed by Developer pursuant to the Agreement will be located in the State of Wisconsin and/or because Developer is a resident of the State of Wisconsin.

2. In recognition of the requirements of the Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the "Act"), we and you agree as follows:

1. The Act shall apply to and govern the provisions of the Agreement issued in the State of Wisconsin.

2. The Act's requirement, including the requirements that, in certain circumstances, Developer receives ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the requirements of the Agreement to the extent they are inconsistent with the Act's requirements.

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

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the Agreement Date.

FRANCHISOR

PIRTEK USA LLC
a Delaware limited liability company

By: _____
Printed Name:_____
Title:_____

Date: _____

DEVELOPER

(IF ENTITY):

_____
[Name]

By: _____

Name: _____

Title: _____

Date: _____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

Date: _____, 202__

EXHIBIT 3

Franchise Agreement with Acknowledgment Addendum, State Specific Addenda to Franchise Agreement and Appendices A (Franchised Location, Territory), B (Ownership and Management Addendum), C (Marks), D (Addendum to Lease), E (Computer Software License Agreement), F (Draft Authorization), G (Assignment of Telephone Numbers), and H (Assignment of Domain Name and E-Mail Address)

FRANCHISE AGREEMENT

BETWEEN

PIRTEK USA LLC
300 Gus Hipp Boulevard
Rockledge, Florida 32955
(321) 701-3330

AND

_____
Name of Franchisee

_____
Street

_____
City State Zip Code

( )
_____
Area Code Telephone

Franchised Location:

_____
Street

_____
City State Zip Code

( )
_____
Area Code Telephone

PIRTEK USA LLC

FRANCHISE AGREEMENT

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Addendum to PIRTEK® Franchise Agreement

FRANCHISE AGREEMENT
Acknowledgement Addendum to PIRTEK® Franchise Agreement

FRANCHISE AGREEMENT

This Agreement is made _____ between PIRTEK USA LLC, a Delaware limited liability company _____ ("we"_____or ____ "us"), and_____ _____, a(n) _____ ("you" or "Franchisee").

RECITALS

A. Our affiliate Pirtek Fluid Systems Pty. Ltd., an Australian company incorporated in New South Wales ("PFS"), and we have expended considerable time, effort, skill and financial resources in developing an image, technique and business system for the sale, custom assembly and installation of industrial and hydraulic hoses, fixed tube assemblies, fittings and related components and other products and services utilizing certain standards and specifications, and sales and business techniques and image (herein referred to as the "System," as defined below) throughout the world.

B. PFS is the owner of the PIRTEK® service mark and other trademarks or commercial symbols used in connection with the System (herein referred to as the "Marks").

C. PFS has granted to us the right to license others to use certain of the Marks and the System in accordance with the terms of a Trademark License Agreement between us and PFS.

D. You wish to obtain the right to use the Marks and the System in the operation of a PIRTEK Hose Service Business, subject to the terms and conditions of this Agreement.

In consideration of the foregoing and the covenants and consideration herein set forth, it is agreed by and between you and us as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms set forth below have the following definitions:

A. "Business" means your PIRTEK Business developed and operated pursuant to this Agreement. The Business includes all business that you conduct from your PIRTEK Hose Service Center, the MSS Units, or otherwise in the Territory or under or associated with the Marks.

B. "Controlling Owner" means the individual who actively directs your affairs relating to the PIRTEK Business and is responsible for overseeing the general management of the day-to-day operations of the PIRTEK Business. If the Franchisee is one individual, such individual is the Controlling Owner. If the Franchisee is more than one individual, Franchisee must designate in writing to us one individual who owns at least 25% of the franchisee to be the Controlling Owner. If an entity Franchisee, the Controlling Owner must be an individual and directly own at least a 25% interest in the entity. The Controlling Owner will be deemed to have authority to sign on your behalf on all contracts and commercial accounts. You must identify the Controlling Owner on the Ownership and

Management Addendum attached to this agreement and must notify us in writing of any change to the Controlling Owner.

C. "Customer" means any person or entity (1) included on any marketing or customer lists you develop or use, including any such lists provided by us to you; (2) who has purchased or purchases products or services from you during the term (even if you have solicited the person and/or established a relationship independent of us and without our assistance) or whom you have solicited to purchase any products or services; (3) for whom you provide products or services on our behalf or at our direction; and (4) if any of the foregoing is an entity, all employees of such entity.

D. "Customer Information" means any contact information (including name, address, phone and fax numbers, and e-mail addresses), sales and payment history, and all other information about any Customer, including any information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household.

E. "Designated Manager" means an individual who personally invests his or her full time and attention and devotes his or her best efforts to the on-premises general management of the day-to-day operations of the PIRTEK Business, completes our full training program to our satisfaction prior to beginning the duties of the Designated Manager, and does not participate in the active operation or management of any business other than the PIRTEK Business.

F. "Franchised Location" means the actual physical location of your PIRTEK Hose Service Center within the Territory, as further described in Section 2 and Appendix A.

G. "Gross Sales" means the total revenues and receipts from the sale of all products, services or benefits sold, provided or disposed of to your customers whether for cash, credit, charge account, check, exchange or other valuable consideration (whether or not you have received payment therefor), whether such orders for products or services originated from or were accepted at or from your PIRTEK Service Center, the customer's place of business or at any other place and including any sales by any related persons or companies that were from the PIRTEK Service Center or deemed to be sales of the Business. "Gross Sales" is net of any applicable sales tax and any sales credits, including the sales price of any products returned by customers where cash or allowances have been refunded or made to the customer.

H. "Marks" means the PIRTEK service mark, which has been registered with the United States Patent and Trademark Office, the other trademarks, service marks, and trade names set forth on Appendix C, as we may modify and change from time to time, and the trade dress and other commercial symbols used in the Business. Trade dress includes the designs, color schemes and image we authorize you to use in the operation of the Business from time to time.

I. "MSSUs" or "MSS Units" means the PIRTEK vans or mobile sales and service units that service your customers in the Territory. "MSSTs" or "MSS Technicians" means the persons who are trained and authorized to operate the MSSUs.

J. "Owner" means any person or entity who directly or indirectly owns the franchise rights. An Owner includes each shareholder, member, or owner of a corporation, limited liability company or other entity, each general partner of a partnership and, if a general partner is an entity, each owner of an interest in the general partner. If the Franchisee is one individual, such individual is the sole Owner. The Owners are identified on the Ownership and Management Addendum attached to this agreement. Each Owner who owns directly or indirectly 10% or more of an entity Franchisee must sign a personal guarantee.

K. "PIRTEK Hose Service Center" or "PIRTEK Service Center" or "Center" means the hose service center operated under the PIRTEK name at the Franchised Location defined in Appendix A.

L. "System" means the PIRTEK System that consists of the operation of a PIRTEK hose service business specializing in the sale, custom assembly and installation of industrial and hydraulic hoses, fixed tube assemblies, fittings and related components, and includes proprietary rights in certain valuable marks, logos, business names, trade names, using distinctive products and services under the Marks and utilizing the specific image including names, marks, uniform product ranges, specified designs and color schemes for the business premises, signs, layouts, fixtures and fittings and uniforms.

M. "Territory" means the geographic area described in Section 2 and Appendix A, from which you conduct your Business.

GRANT OF LICENSE

2. We hereby grant to you, subject to the terms and conditions of this Agreement, the right and license to engage in and conduct a PIRTEK Business identified by the Marks that we authorize for your use hereunder (or such other marks as may be directed by us) at the Franchised Location and for the Territory as defined in Appendix A.

You hereby accept said license and undertake the obligation to operate your Business faithfully, honestly and diligently, using the System in compliance with our standards and requirements. You agree that you must maintain and operate your Business under your active and continuous supervision and management.

The license granted herein is limited to the right to operate your Business only within the Territory and may not be used elsewhere or at any other location by you, except as we set forth in the Manual (as defined in Section 6.C). You do not have the right to sell products or services in the territory or promotional zone granted to another franchisee or corporate or affiliate operated center (also known as "territory infringement") or through any other channel or method of distribution (including the Internet or any other existing or future form of electronic commerce) or

to any person or entity for resale or further distribution. The penalty for territory infringement will be determined as set forth in our then-current territory infringement policy.

You also do not have the right to subfranchise, sublicense, assign or transfer your rights under this Agreement, except for an assignment or transfer as specifically provided in this Agreement. During the term of this Agreement and provided that you are in compliance with the terms and conditions of this Agreement, including the Territory Performance Standards (as described below), we will not (i) modify the Territory without your written permission, or (ii) establish either a company-owned or franchised PIRTEK Hose Service Center within the Territory, although we or another franchisee may from time to time service particular customers in the Territory in the event you are unable or unwilling for whatever reason to meet the service needs of those customers, including any Strategic Account customers as set forth in the Franchise Agreement or Manual.

Territory Performance Standards

The "Territory Performance Standards" will include each of the following components: (i) a minimum number of MSSU's that you will be required to operate in the Territory, as we reasonably deem necessary in accordance with Section 5.F of this Agreement after meeting with you at a location we designate to discuss the overall performance of your Business (you and we agree that we can adjust the minimum number of MSSU's during the term of the Agreement); and (ii) an annual sales growth of 3%-3½% for your Business on a year to year basis, although that sales growth requirement will not be used as a Territory Performance Standard for any year that 80% of our then-current Tier 1 centers in operation more than 12 months and for the full 12 month period do not achieve the annual sales growth requirement. We will designate the specific percentage between 3% and 3½% each year, with the percentage to remain unchanged from the prior year unless we notify franchisees in writing prior to December 31. For 2023, the annual sales growth percentage is 3%. We will measure the annual sales growth based on your Gross Sales for each 12 month calendar period (January 1-December 31).

If you do not meet the Territory Performance Standards, you will be subject to the Correction Process outlined below (and the take away option, sale of your Business option or termination as described below, if so elected by us). If you are a multi-territory operator with multiple franchise agreements, the Territory Performance Standards will apply separately for each of your territories and franchise agreements.

Correction Process

If you do not meet part (i) of the Territory Performance Standard due to your failure to operate the minimum number of MSSU's in accordance with Section 5.F, we will provide you with a 30 day period to take the necessary steps to meet the MSSU's requirement. Failure to take those steps within the 30 day period will be a default and may result in a notice of default under this Agreement.

If you do not meet part (ii) of the Territory Performance Standard (the annual sales growth requirement), subject to the 80% exception noted above, we may implement the following correction process.

First, we will notify you of your failure to meet the annual sales growth Territory Performance Standard, and we will actively work with you to (a) identify the reasons for such substandard performance, and (b) suggest ways for you to meet the annual sales growth Territory Performance Standard.

Next, if you fail to meet part (ii) of the Territory Performance Standard (the annual sales growth requirement) for a third consecutive 12 month period, you have the opportunity to advise us of your wish to sell the Business to a third party despite the default, but if no sale meeting the requirements of the Franchise Agreement takes place within 180 days, we have the right to terminate the Franchise Agreement immediately on sending written notice of termination from us to you. In connection with such termination, you will sign a general release and comply with all post termination obligations under this Agreement. Upon receipt of such a general release, we will sign a release of any and all claims of ours against you and/or any affiliate/ owner of yours relating to or arising out of the Franchise Agreement (and no other agreement or franchise) which exist as of the date of the release and are known by us; except that any such claims will be preserved by us if we disclose them to you in writing.

We reserve the right to make reasonable revisions to elements of the Territory Performance Standards through changes in the Manuals or otherwise, upon six months written advance notice to you.

General Reservation of Rights

We retain all rights that are not expressly granted to you under this Agreement. Further, we and our affiliates may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

(i) establish and/or license others to establish franchised or company-owned or affiliate-owned businesses at any location outside your Territory regardless of the proximity of such businesses to your Territory;

(ii) merge with, acquire or become associated with ("Merger/Acquisition Activity") any businesses of any kind (including those in competition with PIRTEK businesses) under other systems and/or marks, which businesses may convert to or operate under the Marks and may offer or sell products and services that are the same as or similar to the products and services offered at or from your business, and which may be located anywhere inside or outside of your Territory;

(iii) sell and distribute for ourselves and/or license others to sell and distribute through franchised businesses or any other method of distribution, both inside and outside your Territory products and services the same as or different from the products and services offered under the System, and which are offered and distributed under marks different than the Marks; and

(iv) provide hose assembly orders for customers with requests that franchisees would otherwise not have the capacity to handle due to resources,

supply, pricing and/or potential margin, technical ability, or engineering skill, while also being a production support arm when franchisees secure a large job.

TRADEMARK STANDARDS AND REQUIREMENTS

3. You hereby acknowledge and agree that the Marks are the property of PFS and that your right to use the Marks is specifically conditioned upon the following terms and conditions.

A. Mark Ownership. We are the licensee of the right to use the Marks in the United States. The Marks are valuable property owned by PFS, and PFS is the exclusive owner of all right, title and interest in and to the Marks. Your use of the Marks inures to the benefit of PFS and us. You disclaim all rights, title and interest in or to the Marks and any goodwill associated with the Marks. You must not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest the rights of PFS or us in any of the Marks or the goodwill associated with the Marks, including any use of the Marks in a derogatory, negative or other inappropriate manner in any media, including but not limited to print or electronic media.

B. Mark Use. You may not use, or permit the use of, any trademarks, trade names or service marks in connection with your Business, except those set forth in Appendix C or except as otherwise directed in writing by us. You may use the Marks only in connection with products and services as may be specified by us and only in the form and manner prescribed by us in writing. You must comply with all trademark, trade name and service mark notice marking requirements and other brand usage guidelines that we may provide from time to time. You may use the Marks only in association with products and services approved by us and that meet our standards or requirements with respect to quality and production, sales techniques, installation procedures, service standards and method of operation. The use of any additional words with any of the Marks must have our prior written consent. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity in the matters described in this Section.

C. Business Identification. You may not use the word PIRTEK or any of the other Marks as part of your name for your legal entity. You must use the PIRTEK name as a d/b/a for the trade name of the Business as designated by us in Appendix A and no other mark or words. You must hold yourself out to the public as an independent contractor operating the Business pursuant to a license from us. In addition, you may be required to post a sign in the Center identifying you as a PIRTEK franchisee in a format reasonably acceptable to us. You must clearly indicate on your business checks, stationery, purchase orders, receipts, and other written materials that you are the independent owner of the Business and a PIRTEK franchisee. You may use the Marks on various materials, such as business cards, stationery, purchase orders and checks, provided you (i) accurately depict the Marks on the materials, (ii) include a statement on the materials indicating that your Business is independently owned and operated by you, and (iii) do not use the Marks in connection with any other trademarks, trade names or service marks unless specifically approved by us in writing prior to such use.

D. Litigation. In the event any person or entity improperly uses or infringes the Marks, PFS and/or we will control all litigation and will be the sole judge as to whether suit is instituted, prosecuted or settled, the terms of settlement, and whether any other action is taken. You must promptly notify us of any such use or infringement of which you are aware. You must promptly inform us of any claim arising out of your use of any Mark and must cooperate with any action undertaken by PFS and/or us in respect thereof. We have no obligation to defend or indemnify you if the claim, suit or demand against you arises out of or relates to your use of the Marks.

E. Changes. You may not make any changes or substitutions whatsoever in or to the use of the Marks unless directed by PFS or us in writing. We reserve the right to change the Marks at any time. Upon receiving written notice from us, you must, at your expense, immediately make such changes and use such substitutions to the Marks as PFS or we may require.

TERM OF FRANCHISE; FRANCHISEE'S RIGHT TO RENEW

4. The term of the license granted in this Agreement is for a period of 10 years from the date of this Agreement. You have the right to renew your license for two additional 10-year terms, provided that as to each renewal the following conditions have been met:

(i) You must give written notice to us not less than 3 but no more than 6 months prior to the end of the initial 10-year term of your intent to renew the license. You must execute the then-current form of franchise agreement and all other agreements, legal instruments and documents then customarily used by us in the renewal of franchises (the form of franchise agreement will be modified to reflect that the agreement is for a renewal term and, if applicable, will provide for the second 10-year renewal term upon satisfaction of the renewal conditions).

These agreements, legal instruments and documents may vary materially from those agreements, legal instruments and documents currently in use by us, although the Territory will remain as defined in this Agreement. There will not be another initial franchise fee charged for renewal of the license; however, you must pay us a renewal fee in the amount of $2,500, adjusted annually in accordance with any annual change in the National Consumer Price Index, as that change is described in Section 16.M. Your failure or refusal to execute the agreements, instruments and documents within 30 days after their delivery to you will be deemed an election by you not to renew the license.

(ii) During the term of this Agreement, you have complied with all of the terms and conditions of this Agreement and have complied with our operating and quality standards and requirements.

(iii) All monetary obligations owed by you to us, our affiliates or your suppliers or creditors, whether pursuant to this Agreement or otherwise, have been satisfied prior to renewal, and have been paid in a timely manner throughout the term of this Agreement.

(iv) You are able to maintain possession of the premises or obtain possession of mutually agreeable alternative premises for your Business for the duration of the renewal term and have agreed, in writing, to make such capital expenditures necessary to refurbish, replace and modernize your Business so that it will conform to our then-current standards for PIRTEK Hose Service Centers.

(v) You, your Controlling Owner and your Personal Guarantors sign a general release of claims in a form we prescribe.

PREMISES STANDARDS AND MAINTENANCE

5. You acknowledge and agree that we may promulgate, from time to time, quality standards regarding the business operations of PIRTEK hose service centers so as to protect the distinction, goodwill and uniformity symbolized by the Marks and the System. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions.

A. Service Center Facility. The Service Center must be constructed and equipped in accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, furnishings, location, accessory features and design and layout of the building premises. You will be furnished with lists of approved equipment, inventory, signage, fixtures and furnishings. You may not commence construction of the Service Center nor lease a location for the development of the Service Center until you have received our written consent to your building plans.

In the event you enter into a direct lease with the landlord for the Service Center premises, we must approve such lease prior to its execution. You acknowledge, however, that you have been advised to have any lease and/or sublease reviewed by your own legal counsel. Your lease must contain the Addendum to Lease attached as Appendix D. You must provide us a copy of the lease and Addendum to Lease at least 5 days prior to their execution. You must provide us with a signed copy of the lease and Addendum to Lease upon their execution.

We make no guarantees concerning the success of the Service Center located on any site consented to by us. You are solely responsible for selecting the site for the Service Center and obtaining all necessary permits, licenses and architectural seals, and in all other respects complying with applicable legal requirements relating to the building, signs, equipment and premises, including but not limited to the Americans With Disabilities Act. You may not use the Service Center premises or Franchised Location for any purpose other than the operation of your PIRTEK Hose Service Center.

B. Future Alteration. Any replacement, reconstruction, addition or modification in building, interior or exterior decor or image, equipment, fixtures, furnishings or signage of the Service Center to be made after our consent is granted for initial plans, whether at the request of you or us, must be made in accordance with specifications that have received our prior written consent. You may not commence such

replacement, reconstruction, addition or modification until you have received our written consent to your revised plans.

C. Maintenance. The building, equipment, signage, fixtures, display areas and furnishings employed in the operation of your Service Center must be maintained in accordance with requirements established periodically by us and reasonable schedules prepared by us based upon periodic evaluations of the premises by our representatives. In addition, you must conduct routine maintenance in accordance with general schedules furnished by us. Within a period of 20 days after the receipt of any particular report prepared following such an evaluation, you must effect the items of maintenance designated therein, including but not limited to the repair of defective items and/or the replacement of irreparable or obsolete items. If 20 days is not a reasonable period of time to complete the designated items, then you must begin to take such steps as directed by us within 10 days and complete the items within 45 days from the receipt of a particular report.

D. Relocation. Should it become necessary, on account of condemnation, sale or other cause, including cancellation of your lease, to relocate the Service Center, we will grant you authority to do so, within thirty (30) days of our receipt of your written request to relocate, at a site acceptable to us that is within the Territory, is reasonably suited for a Service Center, does not infringe on the rights of any other PIRTEK franchisee, and is reasonably distant from other PIRTEK hose service centers; provided that (i) you resume your Business at a temporary premises that meets our standards within 48 hours from the closing of the Service Center; and (ii) the new Service Center is open and operating within 120 days after your discontinuing operation of the Service Center at the Franchised Location, all in accordance with our current standards at that time. Further, if you request our assistance in connection with any such relocation, you submit to us a Center Relocation Assistance Fee equal to $2,000 at the time you submit to us your request for relocation assistance.

E. Modernization or Replacement. From time to time as we require, you must effect such items of modernization, refurbishing and replacement of building, equipment, signage, fixtures, display areas, furnishings and grounds as may be necessary to permit the same to conform to our standards then prescribed for similarly situated new PIRTEK hose service centers. The maximum amount that you will be required to spend on any such modernization, refurbishing and or replacement will be a cumulative amount equal to $5,000 per year for each year that you have operated your Business under this Agreement, with the $5,000 amount adjusted annually in accordance with any annual change in the National Consumer Price Index, as that change is described in Section 16.M. For example, in year 5 of this Agreement, you may be required to spend $25,000 (plus any Consumer Price Index increase) on modernizing the premises. In year 6 after you have modernized your premises, the cumulative amount is reduced back to $5,000 with the $5,000 per year increase thereafter. You acknowledge and agree that the requirements of this Section 5.E are both reasonable and necessary to ensure continued public acceptance and patronage of PIRTEK hose service centers and to avoid deterioration or obsolescence in connection with the operation of your Business. Each and every transfer of any interest in this Agreement or business conducted hereunder governed by Section 14 is expressly conditioned upon your compliance with the foregoing requirement. This $5,000 per year limitation does not

apply to the modernization requirement as a condition of franchise renewal under Section 4.

F. MSS Units. You, at your cost, must operate within the Territory the number of MSS Units as we reasonably deem necessary from time to time. You must acquire and have operating a MSSU within 2 months of being notified by us in writing of the requirement to operate the MSSU. The MSS Units must be operated by your MSS Technicians, who must be employees fully trained in the operation of MSS Units. You, at your cost, must purchase or lease motor vehicles as specified by us from a dealer who sells vehicles that meet our specifications and standards. You promptly must fit out, paint and equip (including the installation and use of a tracking system we designate) the motor vehicles as a PIRTEK MSSU, and thereafter maintain and properly register and insure the MSS Units, all in accordance with our standards and specifications as we may prescribe from time to time. Each MSSU must be retired from service and a new replacement motor vehicle purchased or leased by you at least once every 5 years. We, at our option, may permit you to operate such MSSU for an additional one-year period, provided the MSSU is repainted and refurbished to our standards. The MSS Units may only be used by you to assist in conducting your Business within the Territory, unless we otherwise approve in writing. Upon disposal of a MSSU, you must ensure that all Marks and other references to the PIRTEK Marks or Business have been removed or obliterated from the MSSU, and if you fail to do so, we may enter upon the Business premises or elsewhere to do so at your cost.

OPERATIONS STANDARDS AND REQUIREMENTS

6. You acknowledge and agree that we have established and may revise, from time to time, quality standards regarding the operations of PIRTEK Hose Service Center businesses so as to protect the distinction, goodwill and uniformity symbolized by the Marks and the System. Accordingly, you agree to maintain and comply with our quality standards and requirements for the System and agree to the following terms and conditions.

A. Products and Services. You may sell only those products and services in connection with the Marks and Business that we have approved in writing (sometimes referred to in this Agreement as "approved products and services"). The approved products and services may be identified in the Manual, inventory lists or otherwise in writing, and we have the right to add to, supplement or modify the approved products and services. These products and services meet standards and specifications prescribed by us, which we may modify from time to time.

B. Purchases from Us and Other Vendors and Suppliers. You must purchase all designated hoses, fixed tube assemblies, fittings, adapters, components and other products for resale to customers (the "Inventory Products") from us only, except for limited instances when you must satisfy a customer's immediate demand for products, as described in the Manual. Under no circumstances, however, can a PIRTEK hose tag be placed on a non-PIRTEK hose. In addition, you must purchase fixtures, equipment, and other supplies ("Non-Inventory Items"), which we determine meet our standards and specifications of quality required to protect the valuable goodwill and uniformity symbolized by and associated with the Marks and Business. You will pay the then- current price in effect at the time for the Inventory Products and other Non-Inventory Items you purchase from us.

You must purchase Non-Inventory Items from us or other vendors or suppliers that sell the Non-Inventory Items meeting our standards and specifications, although we are the only available supplier for equipment necessary to outfit the MSSUs and Non-Inventory Items containing the PIRTEK Marks. With respect to certain Inventory Products, we may require you to hold specified levels of inventory at the Franchised Location. We will endeavor to use our best efforts to have available for your purchase from us a full line of Inventory Products. We have the right to apportion Inventory Products and any other items due to shortages. ALTHOUGH APPROVED BY US, WE MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES, FIXTURES OR OTHER APPROVED ITEMS. WE, HOWEVER, WILL PASS THROUGH ANY APPLICABLE MANUFACTURER WARRANTIES ON PRODUCTS AND EQUIPMENT THAT YOU PURCHASE FROM US, SUBJECT TO ALL WARRANTY TERMS AND CONDITIONS IMPOSED BY THE MANUFACTURER.

C. Operations Manual. To help protect our reputation and goodwill and to maintain uniform operating standards under the Marks and Business, you must conduct your Business in accordance with the required standards and procedures contained in our Operations Manual and any other manuals created by us for, or approved for, use in the operation of your Business (collectively the "Manual"). 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 are reserved to you.

You will receive one copy of the Manual during the training program, which we will loan to you during the term of this Agreement. The Manual will be available in on-line format only and at all times is our sole property. You must at all times treat the Manual, and the information contained therein, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We may from time to time revise the contents of the Manual and you expressly agree to comply with each new or changed requirement. You must at all times ensure that your copy of the Manual is kept current and up to date, and in the event of any dispute as to the contents of said Manual, the terms of the master copy of the Manual that we maintain is controlling. You acknowledge and agree that in the future the Manual and other system communications may only be available on the internet or other on-line or computer communications, as described in Section 6.K. Upon expiration or termination, whether by us or by you, you must return or destroy the Manual in its entirety or pay a fine of $10,000.

D. Operating Procedures. The Manual contains requirements, recommendations and suggestions for the operation of a PIRTEK Hose Service Center Business. You must adopt and use the required standards, procedures, techniques and systems described in the Manual. We may revise the Manual and the standards, procedures, techniques and systems set forth therein periodically to meet changing conditions of operation in the best interest of all businesses operating under the Marks. You must conform to all quality and customer service standards prescribed by us in writing.

Any required standards exist to protect our interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be set forth in the Manual as defined in subparagraph 1.C or other written materials. The Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

If requested by us, you must provide us with customer lists for the Business in the form prescribed by us as well as copies of customer invoices for the Business. We have the right to contact the customers to ascertain your quality of customer service and the level of customer satisfaction. As those customers are PIRTEK customers, you may not use the customer lists for the Business for any purpose whatsoever other than the normal conduct of your Business.

E. Confidential Information. You may not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees as must have access to it in order to operate your Business. For purposes of this Agreement, "Confidential Information" means proprietary information contained in the Manual or otherwise communicated to you in writing, verbally or through the internet or other on-line or computer communications, and any other knowledge or know-how concerning the methods of operation of your Business. Any and all Confidential Information, including, without limitation, processes, materials, methods, procedures, suggested pricing, specifications, techniques and other data, may not be used for any purpose other than conducting the Business in the Territory. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons owning a minority interest in you, your Designated Manager and other key employees. These agreements also may include noncompete covenants, although it is your responsibility to ensure that any such agreement you use complies with applicable state law. Copies of the executed agreements must be provided to us upon request.

F. Evaluations. We or our authorized representatives have the right to enter your Business premises at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your premises used for your Business, to observe and accompany you on service calls and to test, inspect and evaluate your products and services. Your failure to receive a satisfactory rating on any evaluation is considered a default under Section 11.A. Any evaluation is for the sole purpose of protecting our interest in the Marks and in no way may be construed as the assumption of any duty to control day-to-day operation and maintenance of the Business.

G. Adaptations. Complete and detailed uniformity under many varying conditions may not always be possible or practical, and we reserve the absolute and

exclusive right to vary the standards for any franchisee based upon the customs or circumstances of a particular territory, density of population, existing business practices or any condition that we deem to be of importance to the operation of your business. You are not entitled to require us to grant to you a like or other variation hereunder on account of any variation from standards, specifications and practices granted to any other franchisee. You acknowledge and agree that any requirement, standard or specification prescribed by us under this Agreement is subject to our periodic modification or rescission as may be necessary in our reasonable judgment to adapt our System to changing conditions and competitive circumstances.

H. Period of Operation. Subject to any contrary requirements of local law, your Service Center must be opened to the public and operated at least 9 hours each regular business day of the year plus 3 hours each Saturday (except for authorized holidays as set forth in the Manual). In addition, you must have 24-hour on-call service each day of the year. We must authorize, in writing, any variance from these provisions. You acknowledge and agree that if the Service Center is closed for a period of 7 consecutive days or more without our prior written consent, such closure constitutes your voluntary abandonment of your Business and we have the right, in addition to other remedies provided for herein, to terminate this Agreement and the franchise operated hereunder. Acts of God, war, strikes, riots and other causes set forth in Section 16.L preventing you temporarily from complying with the foregoing will suspend compliance therewith for the duration of such interference.

I. Compliance with Law. You must maintain at all times your Business premises and conduct your Business operations in compliance with all applicable laws, regulations, codes and ordinances, including, but not limited to, environmental laws regarding the storage and disposal of hazardous waste and other hazardous substances or materials. You acknowledge that you are an independent business and solely responsible for control and management of your Business, including, but not limited to, such matters as hiring and discharging your employees; and you acknowledge that we have no power, responsibility or liability in respect to such hiring, discharging or related matters. You must promptly notify us of any claim or litigation in which you are involved that arises from the operation of your Business or Service Center.

J. Computer System. You must install and use in your Hose Service Center and Business the computer network system (the "Computer System," which also includes the required Technology that is included as part of the Computer System) that we have developed or selected for your Business, including all future updates, supplements and modifications. The Computer System may include a tracking system that we may require you install and use in your MSSUs. You must use the Computer System/Technology in the format and manner that we prescribe. The computer software package developed for use in your Business may include a proprietary software program developed for PFS and us by a third party. You must lease the proprietary software from us, which software will remain our confidential property. In addition, you and we will enter into our standard form of Computer Software License Agreement, a copy of which is attached as Appendix E. We reserve the right to assign our rights, title and interest in the proprietary software or the Computer Software License Agreement to a third party that we designate. In such event, you may be required to enter into a separate computer software license agreement specified

by the third party supplier of the proprietary software. The computer hardware component of the Computer System must conform to specifications we develop and must be configured in a package unit as we designate. If we are requested to configure your computer hardware component to conform to the designated computer software component of the Computer System, we may provide such assistance for additional agreed upon compensation. You acknowledge and agree that we have full and complete access to information and data produced by the Computer System and Technology. You will be required to use and pay for all future updates, supplements and modifications to the Technology. It is your responsibility to make sure that you are in compliance with all laws that are applicable to the Computer System and Technology or other technology used in the operation of your Business, including all data protection or security laws as well as PCI compliance.

K. Participation in Internet Web Site or Other On-line Communications. You must have internet access and an e-mail address. In addition, we may require you, at your expense, to participate in a PIRTEK web site on the internet or other on-line communications, including any intranet system we may develop in the future. You may not separately register any domain name or operate any web site containing any of the Trademarks without our written approval. We determine the content and use of a PIRTEK web site and have the right to establish the rules under which franchisees may or must participate in the web site or separately use the internet or other on-line communications, including the use of social media platforms such as Facebook and Twitter. You and your employees must comply with all of our social media policies as prescribed from time to time. We retain all rights relating to the PIRTEK web site and may alter or terminate the web site. Your general conduct on the web site or other on-line communications and specifically your use of the Marks or any advertising on the web site or other on-line communications (including the domain name and any other Marks we may develop as a result of participation in the web site or other on-line communications) is subject to the provisions of this Agreement. You shall not use or download any software on your computer unless it has been authorized by us in writing. In the event that you use or download any unauthorized software, you shall be liable for all damages and problems caused by the unauthorized software in addition to the other remedies provided under this Agreement. You acknowledge that certain information obtained through your participation in the PIRTEK web site may be considered Confidential Information, including access codes and identification codes. Your right to participate in the PIRTEK web site or any intranet system we may develop or otherwise use the Marks or System on the internet or other on-line communications terminates when this Agreement expires or terminates.

L. Strategic Accounts. We reserve the right to establish and administer a Strategic Accounts program. You acknowledge and agree that we may from time to time establish policies or procedures in the Manual or otherwise in writing that apply to Strategic Accounts, as we designate. You agree to follow the policies and procedures for Strategic Accounts. For these purposes, Strategic Accounts are those customers who do business with two or more PIRTEK hose service franchisees. If such a program is established, you must participate in it and comply with all Strategic Accounts standards and procedures set forth in the Manual and/or as we may otherwise communicate to you, as well as the specific

terms of our arrangement with each applicable Strategic Account, which terms may include, without limitation, the provision of certain insurance and other products and services, special pricing, or payment terms.

M. Creative Works. All ideas, business ventures, concepts, inventions, techniques, or materials concerning a PIRTEK Business, whether or not protectable intellectual property and whether created by or for you or one of your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and "works made-for-hire" for us. To the extent any item does not qualify as a "work made-for-hire" for us, you agree to assign and hereby assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

N. Customer Service; Service Warranties. You must honor our warranty policies for services you provide to customers, as described in the Manual. You are solely responsible for the quality and results of the services and products you sell and provide to customers. You must render and must cause each of your employees to render prompt, competent and courteous service to customers and you shall offer and honor such service warranties as we direct.

You must respond to any dissatisfied customers within 24 hours after the complaint is received or as otherwise set forth in the Manual. If you are unable to equitably resolve the customer's complaint within 3 days after the initial contact, you must contact us for assistance in handling the complaint. In no event shall our assistance be construed to make us liable to you or to a customer in connection with such complaint. You are solely responsible for satisfactorily and timely resolving all warranty claims, customer disputes, and online customer reviews. Should you fail to do so, you must reimburse the cost of any such services to us or any third party that we authorize to perform the services or you must reimburse us for any refund or other payment we may make to a customer (as applicable). We may at any time contact customers concerning the quality of services you provide, the level of customer satisfaction, or other aspects of the Business that we deem relevant.

O. Pricing Policies. We may, from time to time, make suggestions to you with regard to your pricing policies. We also reserve the right to establish minimum and/or maximum prices you may charge in the operation of the Business to the extent permitted by applicable law. In addition, we have the right to negotiate Strategic Account arrangements, including pricing which will bind all Businesses providing services to such Strategic Accounts.

P. Crisis Situations. In the interest of protecting the PIRTEK brand, Marks and the System, we have the sole and absolute right to determine a response, including what steps will be taken and what communications will be made, in instances of a Crisis, and Franchisee agrees to comply with and implement our directions in response to a Crisis. "Crisis" means an event or development that negatively impacts the PIRTEK brand in such a way that we determine may cause substantial harm or injury to the Marks, System, reputation or image.

Q. Customer Information. We own all Customer Information and may use the Customer Information as we deem appropriate (subject to applicable law), including sharing it with our affiliates for cross-marketing or other purposes. You may only use Customer Information for the purpose of operating the Business to the extent permitted under this Agreement, including the Operations Manual, during the term hereof and subject to such restrictions as we may from time to time impose and in compliance with all data privacy, security and other applicable laws. Without limiting the foregoing, you agree to comply with applicable law in connection with your collection, storage and your use and our use of such Customer Information, including, if required under applicable law, obtaining consents from Customers to our and our affiliates' use of the Customer Information. You must comply with all laws and regulations relating to data protection, privacy and security, including data breach response requirements ("Privacy Laws"), as well as data privacy and security policies, procedures and other requirements we may periodically establish. You must notify us immediately of any suspected data breach at or in connection with the Business. You must fully cooperate with us and our counsel in determining the most effective way to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You are responsible for any financial losses you incur or remedial actions that you must take as a result of breach of security or unauthorized access to Customer Information in your control or possession.

If any federal or state Privacy Law, including the California Consumer Privacy Act ("CCPA"), or as revised and when in effect, the California Consumer Privacy Rights Act ("CPRA"), Cal. Civ. Code § 1798.100, et seq., applies to the operation of the Business, whenever and to the extent you operate as a "Service Provider" under the CCPA, a "Contractor" under the CPRA, a data processor, or in a similar capacity under any federal or state Privacy Law, you represent and warrant that:

(1) Except for the purpose of operating the Business in accordance with this Agreement, including the Operations Manual, you will not retain, use, combine or disclose any Customer Information;

(2) You will not sell, make available or otherwise disclose any Customer Information to any third party for valuable consideration or for the purpose of performing cross-context behavioral advertising;

(3) You will not retain, use, or disclose Customer Information outside of the direct business relationship between you and us;

(4) You will delete any Customer Information upon our request unless you can prove that such request is subject to an exception under applicable law; and

(5) If you receive a Customer Information data request (e.g., a request to delete Customer Information) directly from a consumer (e.g., a California resident under the CCPA or CPRA, or a resident of another jurisdiction under other applicable Privacy Law), you shall inform us of that request within one business day and cooperate with us to ensure that the consumer receives an appropriate and timely acknowledgement and response. As

an example, currently under the CCPA, an acknowledgement is typically required within 10 business days and a final response is required within 45 calendar days.

You certify that you understand the restrictions in Paragraphs (1) – (5) of this section and will comply with them. You also acknowledge and agree that we may modify these restrictions from time to time by written notice to you, by issuing updates to our standards and policies pertaining to Privacy Laws, including by adding other similar restrictions that may be required under other state or federal Privacy Laws, and you agree to comply with the same. You also agree to execute any addenda that we may determine are required to conform this Agreement to new or changed Privacy Laws.

To the extent that you engage a third party to collect, use, sell, store, disclose, analyze, delete, modify, or to otherwise perform any processing of Customer Information for the purpose of operating the Business (a "Subprocessor"), you will notify us of such engagement, which shall be governed by a written contract that includes the same restrictions as in Paragraphs (1) – (5) of this section and imposes reasonable confidentiality obligations on the Subprocessor.

SUPERVISION AND TRAINING STANDARDS

7. The following provisions and conditions control with respect to personnel, training and supervision.

A. Supervision of the Business. Your Business must at all times be under the direct, on-premises supervision of the Controlling Owner or the Designated Manager.

B. Training. Prior to commencement of your Business, you, your Controlling Owner, your Designated Manager (if any), your TSR (technical sale representative), at least 2 MSS Technicians and your administration person must, at your expense for room, board and travel, attend and successfully complete our training program. The training program will take place at a location and for a period as we designate. There is no separate fee payable to us for this initial training, as the training is included in the Initial Franchise Fee described in Section 8.A. You understand that this Agreement will not become effective unless these individuals successfully complete the training program to our satisfaction.

In the event that you are given notice of default as set forth in Section 11.A and the default relates, in whole or in part, to your failure to meet any operational standards, we may require as a condition of curing said default that you, your Controlling Owner, your Designated Manager, MSS Technicians or TSR attend and successfully complete our training program at a place that we designate at your expense. Under no circumstances may you (i) permit management of the Service Center's operations on a regular basis by a Designated Manager who has not successfully completed our training program; or (ii) permit the operation of an MSSU by an MSST who you have not properly trained in accordance with our standards. You also must at all times have a TSR who will fulfill the TSR roles as set forth in the Manual.

Any Designated Manager or MSST must participate in and satisfactorily complete such additional training programs as we may reasonably designate from time to time, which may include on-site training at another PIRTEK hose service center prior to the commencement of your Business. Attendance at any additional training program is at your expense for room, board and travel.

Any training provided by us to any of your employees will be limited to training or guidance regarding the delivery of approved services to customers in a manner that reflects the customer standards of the System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You are solely responsible for ensuring that your employees receive adequate training.

C. Staffing. You must at all times maintain a sufficient number of trained employees to properly and efficiently service your customers. You must hire and supervise efficient, competent, and courteous persons as your employees for the operation of your Business with no liability therefor on us. No employee of yours is 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.

D. Attendance at Meetings. You and your Designated Manager, at your expense, must attend all meetings that we sponsor for PIRTEK franchisees to set forth new methods and programs for operation, training, management, sales or advertising. These meetings include one national conference for all franchisees and may also include regional seminars. If you are unable to attend any such meeting, you should so notify us prior to the meeting and attempt to cause a substitute person from your Business acceptable to us to attend and represent you at such meeting.

FEES, REPORTING AND AUDIT RIGHTS

8. You must pay the fees described below and comply with the following provisions.

A. Initial Franchise Fee; Opening Set-up Fee; Initial Technology Start-up Fee. You must pay to us an Initial Franchise Fee of $50,000, which must be paid in full as of or prior to the execution of this Agreement. In addition, you must pay to us an Opening Set-up Fee in an amount equal to $5,000 to $14,000 (as we determine), which is due on or before your first day of attendance at the initial training program (although this fee is not charged for an existing franchisee acquiring an additional franchise), and an Initial Technology Fee in an amount equal to $5,000 to $10,000 (as we determine), which is payable prior to the date you commence business operations. All initial fees and payments shall be deferred until all initial obligations owed to franchisee under the Franchise Agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the Franchise Agreement. See Appendix A for the payment deadlines for the Initial Franchise Fee, the Opening Set-up Fee and the Initial Technology Start-up Fee with respect to a Tier 2 Business.

B. Continuing License Fee. In addition to the Initial Franchise Fee and in consideration of the rights licensed hereunder, you must pay monthly to us as a Continuing License Fee an amount equal to 4% of Gross Sales during the term of this Agreement.

C. Computations and Remittances. All amounts due and owing hereunder, except the Initial Franchise Fee, must be computed at the end of each month's operation and remittance for the same must be made to us on or before the 10th day of the following month for which the amounts are due. The computation of said amounts must be certified by you in the manner and form specified by us, and you must supply to us such supporting or supplementary materials as we may reasonably require to verify the accuracy of such remittances.

You must sign a draft authorization, attached as Appendix F, to authorize and direct your bank or financial institution to transfer electronically directly to our account or our affiliates' and to charge to your account all amounts due to us or our affiliates. You must maintain a balance in your account sufficient to allow us and our affiliates to collect the amounts owed when due. If we initiate a draft for monies owed to us or our affiliates and your account has insufficient funds to cover such draft, you will be charged a penalty owed to us in the amount of 1% of the total amount attempted to draft or $300, whichever is greater. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section.

You waive any and all existing and future claims and offsets against any amounts due hereunder, which amounts must be paid when due. We are entitled to apply or cause to be applied against amounts due to us any amounts that may from time to time be held by us on your behalf or owed to you by us.

D. Reports and Financial Management. You agree to employ sound financial management and planning practices in connection with your Business. You must keep such books and records as we may periodically require, all of which must accurately reflect the operations and conditions of your Business.

Within 3 calendar days after the end of each month, you must submit to us reports with respect to the preceding calendar month in the form and content as we may prescribe periodically. The reports must include a fully completed Monthly Management Report including Gross Sales of the Business for sales made during the previous month and other information as we require from time to time.

By November 1st of every year during the term of this Agreement, you must submit to us copies of your federal tax returns relating specifically to your PIRTEK franchise, and/or a consolidated return that includes PIRTEK business. In addition, if requested by us at reasonable periodic intervals in order to monitor the financial or operational condition of your Business, you must submit monthly sales summaries, profit plans, year to date balance sheets, statements of profits and loss, budgets and tax returns (at other time periods as requested outside of the November 1st date).

Finally, if requested by us to verify your Gross Sales, you must submit to us all the books and records as we may require under our audit policies published from time to time.

You must maintain at all times your books and records for your Business at your Business premises. In addition, you must maintain all financial information on the Technology described in Section 6.J and provide the information to us according to reporting formats, methodologies and time schedules established by us from time to time. You are required to allow us electronic and manual access to any and all records and information relating to your Business.

E. Audits. We or our authorized representative has the right at all times during the business day to enter your Business premises and to evaluate, copy and audit your books and records. We also have the right to remotely access and evaluate, copy and audit your electronic records located on the Computer System and evaluate remotely or on the Business premises your compliance with your obligations regarding Customer Information. If an audit is made necessary by your failure to furnish reports, financial statements, tax returns or schedules as required under this Agreement, or in the event that any evaluation or audit of the Business reveals an understatement of your Gross Sales, Continuing License Fee or other material financial information related to your Business of 4% or more from data reported to us, in addition to any other rights we may have (including collection of amounts owed with respect to any understatement), you must reimburse us for all audit costs including, without limitation, professional fees, travel, and room and board expenses directly related thereto. Furthermore, we may conduct such further periodic audits and evaluations of your books and records, at your sole expense, as we reasonably deem necessary for up to two years thereafter. You acknowledge and agree that if a subsequent audit or evaluation conducted within the two year period reveals any such understatement or variance of 4% or more, in addition to any other remedies provided for in this Agreement, at law or in equity, we have the right to terminate this Agreement in accordance with Section 11.B of this Agreement.

MARKETING FEES AND CONTROLS

9. You agree to actively promote your Business, to abide by all of our marketing and advertising requirements and to comply with the following provisions.

A. Marketing Programs and Payment to Us of Administration Expenses. We reserve the right periodically to establish, organize and prescribe sales promotion programs. You must pay monthly to us as a Marketing Fee during the term of this Agreement an amount equal to 1-1/2% to 3% of Gross Sales. You acknowledge and agree that we may establish the percentage of Gross Sales level annually at any level from 1-1/2% up to 3%, although you will not be required to pay a higher Marketing Fee than other franchisees in your designated marketing area ("DMA"), as specified by us. We will notify you annually regarding the exact percentage of Gross Sales for your Marketing Fee, except for any year in which there is no change from the previous year.

Upon request, we will annually advise you of the unaudited receipts and expenditures of the Marketing Fees. You acknowledge and agree that (i) we have the

absolute and exclusive right to determine expenditures of funds collected and as to the selection of the promotional materials, items and programs for which said expenditures are made, (ii) we have no fiduciary obligation to PIRTEK franchisees with respect to the marketing programs or expenditures of funds; and (iii) we may compensate ourselves for the expense of administering and promoting such marketing programs. Reasonable disbursements from the Marketing Fees may be made for the payment of expenses incurred in connection with the general promotion of the Marks and System including the cost of formulating, developing and implementing advertising and promotional programs, and the reasonable costs of administering these programs, including accounting expenses and the actual cost of salaries and fringe benefits paid to our employees or designees engaged in administration of the programs.

We have the absolute and exclusive right to determine the methods of advertising, media employed and contents, terms and conditions of the marketing programs. In addition, you acknowledge that from time to time we may loan money to the marketing programs to fund specific promotions or other similar reasons and we may be repaid out of the Marketing Fees, at our option, with interest computed at the "base" or "prime" interest rate as publicly announced by the Wall Street Journal and as further defined in Section 10.A.

B. Local Marketing. In addition to the Marketing Fee contributions, in order to promote local marketing for PIRTEK hose service centers, you must fully participate in local sales and promotional activities, including the introduction of new products and other marketing programs. These marketing programs, from time to time, may include local point of sale promotional materials prepared by us. You must purchase and use any local marketing materials prepared by us. You are required to spend a monthly amount between 0.375% - 0.75% of Gross Sales for such local marketing materials and programs. The monthly amount will be an amount that is equal to 25% of your Marketing Fee for that month. Any such local marketing must be factual, dignified and meet the highest standards of ethical marketing, and cannot be injurious to our Marks or their goodwill.

Unless the local materials are prepared by us, you must submit all such proposed advertising or marketing materials to us for approval before using the materials.

FRANCHISEE'S OTHER OBLIGATIONS

10. You agree to comply with the following terms and conditions.

A. Payment of Debts. You agree to pay promptly when due (i) all payments, obligations, assessments, and taxes due and payable to us, vendors, suppliers, lessors, or creditors in connection with your Business or its premises, products or services used in connection with your Business; (ii) all liens and encumbrances of every kind and character created or placed upon or against any of said property; and (iii) all accounts and other indebtedness of every kind incurred by you in the conduct of your Business. In the event you should default in making any such payment, we will be authorized, but not required, to pay the same on your behalf and you covenant promptly to reimburse us on demand for any such payment.

Any and all amounts owing to us by you, whether the same arise under the provisions of this Section 10.A or otherwise, will bear interest computed using a fluctuating interest rate equal to the interest rate per annum publicly announced by the Wall Street Journal as the "prime" rate (currently the prime rate is the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks) as effective on the last day of the prior month plus 2% per annum, or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual thereof.

We expressly reserve the right to withhold or delay the shipment of products and services to you if you are in arrears with respect to any amount owed to us.

B. Liability and Insurance. You waive all claims against us for damages to property, death or injuries to persons arising out of the management or operation of your Business and Center. You must fully protect, indemnify and hold us and our owners, directors, officers, successors and assigns and our affiliates harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Business and Center (regardless of cause or any concurrent or contributing fault or negligence of us or our affiliates) or any breach by you or your failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for our costs and attorneys' fees immediately upon our request as they are incurred. As between us and you, you are solely responsible for the safety and well-being of your employees and your customers.

It is the intention of the parties to this Agreement that we shall not be deemed a joint employer with you for any reason; however, if we incur any cost, liability, loss or damage as a result of any actions or omissions of you or your employees, including any that relate to any party making a finding of any joint employer status, you will fully indemnify us for any such cost, liability, loss and damage.

You further agree to purchase and maintain in full force and effect, solely at your expense, liability insurance in an aggregate amount designated periodically by us, insuring both parties hereto and any other person designated by us by name from liability for any and all such damage or injury. As of the effective date of this Agreement, the liability insurance must be not less than $3,000,000 combined single limit per occurrence. You must purchase and maintain in full force and effect business interruption insurance for actual losses sustained. In addition, you agree to purchase and maintain in full force and effect, at your expense, insurance in amounts designated periodically by us covering operation or maintenance of any building, equipment or MSSU vehicles owned or leased by you in connection with your Business and any other insurance specified in writing by us from time to time or required by local, state or federal law. You further agree to deliver to us periodically or at our request proper certificates evidencing the existence of all such insurance coverage and your compliance with the provisions of this Section. All coverage must name us as an additional insured thereunder and provide that we will be given 30 days' prior written notice of material change in or termination or cancellation of the policy. You must promptly and in accordance with the terms of the policies report all claims or events which may give rise to claims against you or us to both the appropriate insurer and

us. All insurance coverage must be submitted to us and fully effective at least 14 days prior to the earlier of your possession of the Business premises or the commencement of your Business.

If you at any time fail or refuse to maintain any insurance coverage required by us, or to furnish satisfactory evidence thereof, we will be entitled to obtain such insurance coverage on behalf of you and you must promptly execute any applications or other forms or instruments required to obtain such insurance, and you agree to pay us, on demand, any and all costs incurred and premiums that may have been paid by us in connection therewith.

C. Noncompetition Covenants. You agree that you will receive valuable training and Confidential Information that you otherwise would not have received or had access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants and agree that the following noncompetition covenants are reasonable and necessary to protect the System's legitimate business interests, including its Confidential Information and customer goodwill:

1. Unless otherwise specified, the term "you" as used in this Section 10.C means and includes, collectively and individually, (a) if you are an entity, the entity, all guarantors and all shareholders, members, partners, as the case may be, and other holders of any ownership interest in the entity (collectively, "Owners"), as well as any spouse, children, parents and siblings of any guarantor and Owner, or (b) if you are an individual, the individual and the individual's spouse, children, parents and siblings. We may require you to obtain from your guarantors and Owners, and/or from your spouse, children, parents and siblings or any spouse, children, parents, and siblings of any Owner or guarantor, as applicable, a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this Section 10.C.

2. You promise that during the term of this Agreement, and during any interim period (if applicable), you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any Competitive Business (as defined below).

3. You promise that you will not, for a period of two years after the expiration or termination of this Agreement, regardless of the cause of termination, or within two years of the sale or transfer of the Business as set forth in Section 14 or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, advertise, promote in any media including social media platforms, or consult with or have any interest in a Competitive Business (as defined below) that is located:

a. In the Territory;
b. Within a 25-mile radius of the outer boundary of the Territory; or

c. Inside the territory of another PIRTEK Business, whether franchised or owned by us or our affiliates.

For purposes of this Agreement, a "Competitive Business" is any business that offers or sells any product or service or component thereof that (i) composes a part of our System, (ii) is the same as or similar to any product or service then-offered by our franchisees or us or our affiliates, or (iii) otherwise competes directly or indirectly with our System.

4. You agree that the length of time in paragraph 3 above will be tolled for any period during which you are in breach of the non-compete covenants or any other period during which we seek to enforce this Agreement.

5. In addition, you agree that during the term of this Agreement and for one year thereafter, you will not, without our prior written consent, directly or indirectly, for yourself or on behalf of any other person, divert, or attempt to divert, any business or customer of the Business or any other PIRTEK Business away from the System.

6. The parties agree that each of the foregoing covenants in this Section 10.C will be construed as independent of any other covenant or provision of this Agreement. To the extent anyone successfully contests the validity or enforceability of any part of this Section 10.C in its present form predicated upon the area of coverage, this provision will not be deemed invalid or unenforceable, but will instead be deemed modified, so as to be valid and enforceable, to provide coverage for the maximum scope that any court of competent jurisdiction or arbitrator will deem reasonable and necessary to protect our legitimate interests.

DEFAULT AND TERMINATION

11. The following provisions apply with respect to default and termination:

A. Defaults. You will be in default if we determine that you or any Personal Guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing, includes (i) voluntary abandonment of your Business, (ii) making any false report to us, (iii) failure to submit any required report, (iv) failure to pay when due any amounts required to be paid to us or any of our affiliates whether pursuant to this Agreement or otherwise or to any third party (including vendors and suppliers) as required by this Agreement, (v) conviction of you or any Personal Guarantor of (or pleading no contest to) any felony or an offense that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair the goodwill of any of the Marks, (vi) failure to abide by our standards and requirements in connection with the operation of your Business, (vii) your failure to meet your minimum annual performance target, (viii) filing of any tax liens or voluntary or involuntary bankruptcy by or against you or any Personal Guarantor, (ix) your insolvency or any Personal Guarantor's insolvency, (x) making an

assignment or entering into any similar arrangement for the disposition of assets for the benefit of creditors, (xi) any unauthorized assignment or transfer of your Business, this Agreement or your ownership, (xii) failure to meet any requirements or specifications we establish with respect to service quality, customer service, sales procedures, or use of approved products and services, or (xiii) territory infringement.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this Section 11.B: (i) you will have 30 days from the date of a written notice of default to cure any default under this Agreement; (ii) your failure to cure a default within the 30-day period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective 30 days after the date of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: voluntary abandonment of your Business; you willfully and materially falsify any report, statement or other written data furnished to us; conviction of you or any Personal Guarantor of (or pleading no contest to) any felony or offense that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair the goodwill of any of the Marks; your repeated failure to meet the territory performance standards as noted in Section 2; any unauthorized use of Confidential Information, your insolvency or any Personal Guarantor's insolvency; your failure to comply with the noncompete provisions of Section 10.C; making an assignment or entering into any similar arrangement for the disposition of assets for the benefit of creditors; any unauthorized assignment or transfer of your Business, this Agreement or your ownership; any default that results from a subsequent audit of your Business conducted within two years of a previous audit and both audits reveal an understatement of 4% or more in financial information provided to us; or any default by you that is the third default within any 12 month consecutive period. Furthermore, we may declare this Agreement null and void if you make any material misrepresentation on the franchise application or otherwise relating to the acquisition of the franchise.

3. Immediate Termination After 24 Hours to Cure. In the event that a default under this Agreement occurs that materially impairs the goodwill associated with any of the Marks (i) you will have 24 hours after we provide written notice of the default to cure the default; and (ii) the termination will be effective immediately upon our issuance of written notice of termination.

4. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise will supersede any provision of this Agreement that is less favorable to you than such law or regulation.

C. Termination by You. You may terminate this Agreement only for good cause and provided that you are in full compliance with all terms and conditions of this Agreement. Our failure to cure a default by us hereunder within 30 days from the date of a written notice of default will give you good cause to terminate this Agreement. You must notify us in writing that we have committed an alleged material breach of this Agreement, in which case we have 30 days after receipt of such notice to cure the alleged material breach. The notice must specify with particularity the nature of the alleged material breach and the steps you request that we take to cure the alleged material breach. You may terminate this Agreement only if we fail to cure the alleged material breach.

D. Security Interest. As security for the prompt and full performance and payment of all of your indebtedness, obligations and liabilities to us, of any kind or description, whether under this Agreement or otherwise, whether direct or indirect, joint or several, absolute or contingent, due or to become due, voluntary or involuntary, now existing or hereafter arising, you hereby grant to us a security interest in all of your rights, titles and interests in the following, whether you now own or hereafter acquire, and all proceeds and products thereof, and all books and records relating thereto (collectively, the "Collateral"): all inventory, equipment, fixtures, instruments, documents, accounts, chattel paper, money, deposit accounts, letters of credit, letter-of-credit rights, investment property, supporting obligations, other contracts rights and rights to the payment of money, and all general intangibles. Upon your default under this Agreement, we may exercise any rights and remedies available to us under law, including but not limited to the Article 9 of the Uniform Commercial Code. You hereby authorize us to file or record any document necessary to perfect our security interest granted hereunder, including but not limited to any financing statements describing the Collateral as "all assets now owned or hereafter acquired by the Debtor", or words of similar effect.

POST-TERM OBLIGATIONS

12. Upon the expiration or termination of this Agreement:

A. Reversion of Rights; Discontinuation of Mark Use. All of your rights to the use of the Marks and all other rights and licenses granted herein and the right and license to conduct Business under the Marks in the Territory will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. You must immediately (i) cease all use and display of the Marks and of any material copyrighted by us (including, without limitation, the Manual and other Confidential Information), (ii) take such action as may be required to cancel all assumed name, d/b/a designations or equivalent registrations relating to the use of any trade name or Marks, (iii) notify the telephone company and listing agencies of the termination or expiration of your right to use all telephone numbers of your Business and all classified and other directory listings of your Business and assign to us the telephone numbers used in the operation of your Business in accordance with the Assignment of Telephone Numbers (in accordance with the form attached hereto as Appendix G, which you must sign at the time you sign this Agreement). You also must cease your participation in any PIRTEK web site, discontinue your use of the Marks on the internet or other on-line communications and assign to us your domain name and e-mail address used in the operation of your Business in accordance with the Assignment of Domain Name and E-Mail Address (in accordance with the form attached hereto as Appendix H, which you must sign at the time you sign this Agreement). Furthermore, you must not use any of the PIRTEK Marks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

You must immediately comply with the post-term noncompetition obligations under Section 10.C and pay all sums due to us, our affiliates or designees or to whom payment by you, us or any of our affiliates has guaranteed. You must immediately return to us all copies of the Manual and any other materials containing Confidential Information, return to us and stop using all customer lists for the Business (you agree that the customers are PIRTEK customers and you will not contact those customers), and otherwise comply with the confidentiality and nondisclosure provisions of Section 6.E. Failure to return the Manual to us will result in a fine in the amount of $10,000. You must promptly and in any event within 30 days, at your expense, remove or obliterate all signage, displays or other materials in your possession that bear any of the Marks or names or material confusingly similar to the Marks and so alter the appearance of the Business premises (including MSSUs) as to differentiate your Business unmistakably from duly licensed businesses identified by the Marks.

Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your indemnification obligations specified in Section 10.B or under common law and other obligations pursuant to any applicable lease for your Business premises or pursuant to this Agreement or otherwise, which by their very nature are intended to survive the expiration or termination of this Agreement.

B. Purchase Rights. We have the unqualified right, at our option, to purchase any or all Inventory Products in your possession or owned by you at the time of expiration or termination. If we exercise our unqualified right to purchase your Inventory Products, we will pay you the actual amount that you paid for such Inventory Products, less a 15% restocking fee, and less the cost of shipping. Additionally, we have the unqualified right to purchase, at our option, any equipment, fixtures, signage, furnishings, products or supplies of whatever kind that we choose and that is owned by you and used by you in your Business, or to obtain an assignment of your lease for your Business premises (if applicable). The value of any equipment, fixtures, signage, furnishings, products or supplies (other than Inventory Products) that we choose to purchase will be determined using an 8 year depreciation schedule. We may exercise our purchase rights at any time within 30 days from the date of termination.

Your attempt to sell the Business or any assets of the Business for which we have a purchase option in violation of this Section 12.B will cause irreparable damage to us and will entitle us to an injunction as set forth in Section 13.B. Further, you agree that part of the injunctive relief will be declaring the unauthorized sale null and void, so our purchase option is restored. Our interest hereunder in said property will constitute a lien thereon and may not be impaired or terminated by your sale or other transfer of any such equipment, fixtures, signage, furnishings, products, supplies or other items to a third party. Upon our exercise of our purchase rights and tender of payment for any such Inventory Products, equipment, fixtures, signage, furnishings, supplies or other items, you agree to sell and deliver the same to us, free and clear of all encumbrances, and to execute and deliver to us a bill of sale therefor and such other documents as may be necessary to effectuate the transfer. We also may elect to use part of the purchase proceeds to pay off any lender who has a superior security interest to free the purchased assets from those encumbrances.

DISPUTE RESOLUTION; INJUNCTIVE RELIEF

13. You and we agree as follows.

A. Dispute Resolution. Except as qualified below in Section 13.B, any dispute involving us, you, your Owners or Personal Guarantors (including the partners, officers, members, directors, heirs, beneficiaries or other similar parties claiming an interest through any of these entities) arising under, out of, or in any way connected with or related to this Agreement, the relationship between the parties or your Business must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the rules and procedures and under the auspices of the American Arbitration Association. The arbitration must take place in Orlando, Florida, or at such other place as may be mutually agreeable to the parties. Any arbitration must be resolved on an individual basis and not joined as part of a class action or the claims of other parties. The arbitrators must follow the law and not disregard the terms of this Agreement. The arbitrators appointed must have at least 5 years' experience in

franchising or in franchise law. The decision of the arbitrators will be final and binding on all parties to the dispute; however, the arbitrators may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award that extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance set by us. Judgment upon the award may be entered in any court having jurisdiction thereof.

Except as qualified below in Section 13.B, before you or we can initiate arbitration or litigation in connection with a dispute arising under this Agreement, the parties agree to meet in person for at least two hours at our home office in an attempt to resolve the dispute. The meeting will be on an individual basis between you and at least one member of our executive team and must take place within two weeks of a party's request for the meeting, and each party must pay its own costs and expenses with respect to the meeting. If a party refuses to participate in this meeting, the refusing party must pay $5,000 to the other party.

B. Injunctive Relief. Notwithstanding Section 13.A above, you recognize that your Business is one of a number of businesses identified by the Marks and similarly situated and selling to the public similar products and services, and hence the failure on the part of a single franchisee to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all of our other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will forthwith be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. Similarly, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by us, you will forthwith be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators.

The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party. Finally, we reserve the right to commence a civil action against you or take other appropriate action for the following reasons: to collect sums of money due to us; to compel your compliance with trademark standards and requirements to protect the goodwill of the Marks; to compel you to compile and submit required reports to us; or to permit evaluations or audits authorized by this Agreement.

C. Attorneys' Fees. The prevailing party in any legal proceeding before a court, arbitrators or other tribunal to enforce the terms and provisions of this

Agreement is entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. This Section 13.C will survive termination or expiration of this Agreement.

D. Enforcement. During the term of this Agreement, if you do not give us written notice of the alleged breach within one year from the date that you have knowledge of circumstances reasonably indicating that you may have a claim for our breach of this Agreement, then the alleged breach is deemed to be waived by you in all respects and you will be barred from commencing any legal or other action against us for the alleged breach. Furthermore, upon expiration or termination of this Agreement, you may not assert any claim or cause of action against us relating to this Agreement, the relationship between the parties or the Business conducted hereunder unless commenced within one year following the effective date of expiration or termination of this Agreement. Notwithstanding the preceding two sentences, where the one year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

ASSIGNMENT BY FRANCHISEE

14. You agree that the following provisions govern any transfer or proposed transfer

A. Transfers. This Agreement is entered into by us with specific reliance upon your financial qualifications and the personal experience, skills and managerial and financial qualifications of you and the Controlling Owner as being essential to the satisfactory operation of the Business licensed hereunder. Consequently, neither you nor your Controlling Owner's interest in this Agreement or in your Business conducted hereunder, nor Controlling Owner's interest in you, may be transferred or assigned to or assumed by any other person or entity (the "assignee"), in whole or in part, unless you or Controlling Owner has first tendered to us the right of first refusal in accordance with Section 14.E, and if we do not exercise such right, unless you obtain our prior written consent and satisfy the transfer conditions described in Section 14.C.

Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, gift or otherwise or any arrangement pursuant to which you turn over all or part of the daily operation of your Business licensed hereunder to a person or entity who shares in the losses and/or profits of your Business in a manner other than as an employee is considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer and you must comply with the right of first refusal, consent, transfer fee, and other transfer conditions in this Section 14:

1. Any change or series of changes in the percentage of the franchisee entity owned, directly or indirectly, by any

Controlling Owner that results in any addition or deletion of any person or entity who qualifies as a Controlling Owner or who owns directly or indirectly more than a 25% ownership interest in the franchisee entity;

2. Any change in the general partner of a franchisee that is a general, limited or other partnership entity; or

3. For purposes of this Section 14.A, a pledge or seizure of any ownership interests in you or in any Controlling Owner.

In the event of your or Controlling Owner's insolvency or the filing of any petition by or against you or Controlling Owner under any provisions of any bankruptcy or insolvency law, if legal representative, successor, receiver or trustee desires to succeed to your or Controlling Owner's interest in this Agreement or the business conducted hereunder, such person first must so notify us, tender the right of first refusal provided for in Section 14.E, and if we do not exercise such right, apply for and obtain our consent to the transfer and satisfy the transfer conditions described in Section 14.C. In addition, you, Controlling Owner or the assignee must pay our attorneys' fees and costs in any bankruptcy or insolvency proceeding pertaining to you or Controlling Owner.

B. Consent to Transfer. Our consent to transfer hereunder will not be unreasonably withheld, provided that the proposed assignee is, in our reasonable judgment, qualified to provide active supervision over the operation of the Business operated hereunder, the proposed assignee possesses sufficient net worth and sources of capital to meet our standards for the Business operated hereunder, and the conditions defined in Section 14.C are satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in Section 14.E must be made by submission of our form of application for consent to transfer, which will be accompanied by the documents (including a copy of the proposed purchase or other transfer agreement) or other information required therein. The application will indicate whether you or Controlling Owner proposes to retain a security interest in the property to be transferred. No such security interest may be retained or created, however, without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer is subject to the prior written approval of us, which approval will not be withheld unreasonably. You and Controlling Owner immediately must notify us of any proposed transfer hereunder and must submit promptly to us the application for consent to transfer. Any attempted transfer by you or Controlling Owner without our prior written consent or otherwise not in compliance with the terms of this Agreement is void and provides us with the right to elect either to terminate this Agreement or to collect from you a transfer fee equal to two times the transfer fee provided for in this Agreement.

C. Conditions of Transfer. Whether the transfer be to an individual, a corporation, a partnership or to any other entity, the following provisions apply:

1. We may condition our consent to any proposed transfer upon the following:

(a) all of your obligations in connection with your Business have been assumed by assignee;

(b) all of your ascertained or liquidated debts in connection with your Business, including all amounts owed to us or any of our affiliates or your suppliers have been paid in full;

(c) you are not in default under any provision of this Agreement;

(d) the assignee meets our then-current reasonable qualifications for new franchisees and executes our then current Franchise Agreement for a full term as provided therein;

(e) the assignee completes all training required of new franchisees and pays all then-current training fees;

(f) you or assignee has paid $25,000, as adjusted annually in accordance with the increase in the National Consumer Price Index as described in Section 16.N, as a transfer fee to reimburse us for our legal and accounting fees, credit and investigation charges and expenses incurred as a consequence of such assignment;

(g) you and all Personal Guarantors, officers, directors, and shareholders must execute a general release in favor of us and agree to comply with the covenant not to compete set forth in Section 12.C of this Agreement;

(h) in the case of an installment sale, if you or any Controlling Owner proposes to retain a security interest or other financial interest in the Franchise Agreement or the business operated thereunder (with our consent), you or such Controlling Owner must agree to guarantee the performance of the Franchise Agreement until the final close of the installment sale or the termination of such interest, as the case may be;

(i) you refurbish, replace and modernize your Business so that it will conform to our then-current standards for PIRTEK Hose Service Centers, as designated by us; and

(j) any other conditions that we may reasonably require from time to time as part of our transfer policies.

2. Notwithstanding the conditions stated in Section 14.C.1 above, an individual Franchisee may assign the franchise to a corporation or other similar entity in which you own all of the issued and outstanding capital stock, provided that:

(a) you or a manager approved by us actively manages the Business and continues to devote the individual's best efforts and full and exclusive time to the day to day operation and development of the Business;

(b) the corporation or other similar entity is newly organized and its activities are confined exclusively to acting as you under this Agreement;

(c) the corporation or other similar entity executes a document in such form as we approve in which it agrees to become a party to and be bound by all the provisions of this Agreement;

(d) you remain personally liable in all respects under this Agreement and you execute on a form we approve a personal guaranty and agreement not to sell, assign, pledge, mortgage or otherwise transfer or encumber the stock; and

(e) all certificates representing shares or ownership interests in the corporation or other similar entity bear a legend that they are subject to the terms of this Agreement.

3. We may require you to prepare and furnish to assignee and/or us such financial reports and other data relating to your Business and its operations as we, in our sole and exclusive judgment, may deem necessary or appropriate for assignee and/or us to evaluate your Business and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning your Business and proposed transfer without being held liable to you, except for intentional misstatements made to any such assignee. Any such information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Business and proposed transfer and must not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.

D. Death, Disability or Incapacity. If you (or Controlling Owner) die or become disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as a franchisee hereunder, such person or entity must apply for our consent thereto under Section 14.B, and satisfy the transfer conditions described in Section 14.C, as in any other case of a proposed transfer. If the assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee is payable to us. In the event that you (or Controlling Owner) die or become permanently incapacitated, and the rights hereunder are not assigned (with our approval) pursuant to Sections 14.A-C and 14.E, then unless and until we terminate this Agreement pursuant to Section 13.B hereof, we have the right, but not the obligation, to enter onto your Business premises and to operate and manage your Business until the franchise is terminated or assigned to a party acceptable to us in accordance herewith or

you have appointed a manager who is approved and trained by us; provided, however, no such operation and management by us continues for more than 180 days without the written consent of either you or the representative of the estate. In the event that we operate your Business, we will account for all net income for such operation less our reasonable expenses incurred in, and a reasonable management fee for, our operation of your Business and it is agreed that you must bear all losses incurred.

E. Right of First Refusal. If you or Controlling Owner proposes to transfer or assign this Agreement or your interest herein (including Controlling Owner's interest in an entity Franchisee) or in the Business conducted hereunder, in whole or in part, to any third party, including, without limitation, any transfer contemplated by Sections 14.A and 14.D, you or Controlling Owner first must offer to sell to us said interest as provided herein. In the event of a bona fide offer from such third party, you or Controlling Owner must obtain from the third-party offeror and deliver to us a statement in writing, signed by the offeror and by you, of the terms of the offer.

In the event of (i) a transfer or assignment of stock or similar ownership interests of you or Controlling Owner's interest in you or (ii) you or Controlling Owner's insolvency or the filing of any petition by or against you or Controlling Owner under any provisions of any bankruptcy or insolvency law, the offer will be for you and Controlling Owner's interest in this Agreement, and the building equipment, inventory, fixtures, and leasehold interest used in the operation of the Center. An amount and terms of purchase must be established by a qualified appraiser selected by the parties. If the parties cannot agree upon the selection of such an appraiser, the American Arbitration Association will appoint one upon petition of either party to appoint an appraiser to establish such price in accordance with the rules and procedures of the Association. We must receive a statement in writing incorporating the appraiser's report.

We have 60 days from our receipt of the statement setting forth the third-party offer or the appraiser's report to accept the offer by delivering written notice of acceptance to you or Controlling Owner. The acceptance will be on the same price and terms set forth in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the 60 day period, you or Controlling Owner are free for six months from the date the offer was submitted to us to effect the disposition described in the statement delivered to us; provided such transfer is not at a lower price or more favorable terms than have been offered to us and is otherwise in accordance with this Section 14. If the disposition is not closed within the six-month period with the proposed assignee, then you or Controlling Owner must reoffer to sell to us prior to the sale to a third party. You or Controlling Owner may effect no other sale or assignment of you, this Agreement or the business conducted hereunder without first offering the same to us in accordance with this Section 14.E.

ASSIGNMENT BY FRANCHISOR

15. We reserve the right to sell or assign, in whole or in part, our interest in this Agreement. Any such sale or assignment will inure to the benefit of any assignee or other legal successor.

GENERAL PROVISIONS

16. The parties agree to the following provisions.

A. Severability. Should one or more clauses of this Agreement be held to be void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses must be deemed to be separable in such jurisdiction and the remainder of this Agreement must be deemed to be valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding hereunder may, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify Appendices or System standards and requirements and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. You acknowledge and agree that you have not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of your Business. This Agreement, together with any addenda and appendices, constitutes the sole agreement between the parties with respect to the entire subject matter of this Agreement and embodies all prior agreements and negotiations with respect to the business authorized hereunder. Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or of termination, by registered or certified mail, and addressed as follows:

1. If intended for us, addressed to the CEO, Pirtek USA LLC, 300 Gus Hipp Boulevard, Rockledge, Florida 32955;

2. If intended for you or Controlling Owner, addressed to _____ _____; or,

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section.

D. Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our President.

E. References. If Franchisee is two or more individuals, the individuals are jointly and severally liable, and references to Franchisee in this Agreement includes all such individuals. Headings and captions contained herein are for convenience of reference and must not be taken into account in construing or interpreting this Agreement.

F. Controlling Owner; Personal Guarantors. The Controlling Owner must be identified on the Ownership and Management Addendum at the end of this Agreement and must sign the attached undertaking and guarantee as a Personal Guarantor. In addition, any person or entity that is an owner of an equity interest of 10% or greater of Franchisee, or at any time becomes an owner of any equity interest 10% or greater of Franchisee, is a Personal Guarantor and must execute the form of undertaking and guarantee attached to this Agreement, as a condition of becoming a minority owner.

G. Relationship of Parties. You are an independent contractor with control and direction of your Business and operations, subject to the conditions and obligations established by this Agreement. No agency, employment, or partnership is created by this Agreement. Your Business is separate and apart from any that we may operate. Neither party to this Agreement may make any representations tending to create apparent agency, employment, or partnership.

H. Successors/Assigns. Subject to the terms of Sections 14 and 15, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

I. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law. Except to the extent governed by the United States Trademark Act of 1946, as amended (Lanham Act, 15 U.S.C. Section 1051 et seq.), this Agreement is governed by and interpreted in accordance with the laws of the state of Florida. While the laws of Florida shall apply, Florida conflicts of law rules shall not be used to apply the laws of a state other than the state of Florida. Franchisee and Controlling Owner acknowledge and agree that any Florida franchise or business opportunity law shall not apply, unless Franchisee or Controlling Owner is a Florida resident or their PIRTEK Center is located in Florida. 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. Subject to Section 13.A, 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 the Federal District Court for the Middle District of Florida, or if such court lacks jurisdiction, the Eighteenth Judicial Circuit (or its successor) in and for Brevard County, Florida. Both parties hereto irrevocably admit themselves to, and consent to, the exclusive jurisdiction of said courts. The provisions of this Section will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this Section, and with a complete understanding thereof, agree to be bound in the manner set forth.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve or are deemed to have reserved discretion in a particular area or where we agree or are deemed to be required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of us. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System.

J. JURY WAIVER. YOU AND WE HEREBY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH THE ENFORCEMENT OR INTERPRETATION BY JUDICIAL PROCESS OF ANY PROVISION OF THIS AGREEMENT, AND IN CONNECTION WITH ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION OR SIMILAR CAUSES OF ACTION OR ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES FOR BREACH OF THIS AGREEMENT.

K. WAIVER OF PUNITIVE DAMAGES. YOU AND WE (AND OUR RESPECTIVE OWNERS AND GUARANTORS, IF APPLICABLE) AGREE TO

WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN US, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

L. Acts Beyond Control of Parties. In the event of any failure of performance of this Agreement according to its terms by any party the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such causes include, but are not limited to, strikes, wars, fire, acts of God, riots and acts of government except as may be specifically provided for elsewhere in this Agreement.

M. National Consumer Price Index. The renewal fee (Section 4(i), the modernization amount (Section 5.E) and the transfer fee (Section 14.C.1(f)) may be adjusted annually by us in proportion to the annual change in the National Consumer Price Index – All Urban Consumers as reported for each calendar year by the U.S. Department of Labor (or the successor index or agency thereto) using 1997 as the base year, and as so adjusted will apply to each renewal, modernization or transfer, as the case may be, subsequent to the adjustment date but prior to the next adjustment date.

N. Notice of Potential Franchisor Profit. We hereby advise you that we and/or our affiliates will make available to you Inventory Products and goods, products and/or services for use in your Business on the sale of which us or our affiliates will make a profit. For Inventory Products (which may or may not contain the PIRTEK Marks) and Non-Inventory Items containing the PIRTEK Marks, we will be the only available supplier, and the cost of these items may be higher than the cost of other hoses or other similar products on the market. We further advise you that we or our affiliates may from time to time receive consideration from suppliers or vendors in respect to sales of products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we or our affiliates are entitled to said profits and/or consideration.

O. Termination of Trademark License Agreement. PFS is not a party to this Agreement. Upon termination of the Trademark License Agreement between us and PFS, this Agreement and other franchise agreements we have issued for PIRTEK Centers in the United States may be assigned to PFS or its designee.

P. General Release for Other Franchises/Franchise Agreements. If this Agreement is related to an additional franchise you are acquiring (you are an existing franchisee acquiring an addition franchise), then the following applies to any of your other PIRTEK centers, franchises or franchise agreement: you (on behalf of yourself and any parent, subsidiaries and affiliates and respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities) and all individuals who execute this Agreement (each a "Releasor" and collectively, "Releasors"), freely and without any influence, forever release and covenant not to sue us, our parents, subsidiaries, affiliates, predecessors and successors and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their

corporate and individual capacities (collectively, "PIRTEK Releasees"), from any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "claims"), that any Releasor now owns or holds or may in the future own or hold, based on, arising out of or relating to, in whole or in part, any fact, event, conduct or omission occurring on or before the date of this Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances relating to (i) the sale of a franchise to any Releasor for any PIRTEK business that the Releasor has operated prior to the date of this Agreement, (ii) the development and operation of all other PIRTEK businesses operated by any Releasor prior to the date of this Agreement; and (iii) any agreements that you or any Releasor has signed in connection with any PIRTEK franchise or business referenced in (i) and (ii). You (on behalf of Releasors) expressly agrees that fair consideration has been given by us for this release and fully understands that this is a negotiated, complete and final release of all claims. This release does not include a release of claims related to this Agreement and arising from representations in the Franchise Disclosure Document provided to you in connection with this Agreement or any claims arising under any applicable state or federal franchise laws regulating the offer or sale of the franchise for this Agreement (including without limitation the FTC Rule on Franchising (16 C.F.R. Part 436) and any applicable state law.

P. Effective Date. We will designate the effective date on page one of this Agreement. The effective date is either the date when the Agreement is accepted by us at our offices in Rockledge, Florida, and signed by our President, or some other date designated by us.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement on the date first noted above.

Us:

PIRTEK USA LLC

By:_____
Its:_____

You:

_____
(Print Name)

_____
(Your Signature)

Company Name:

_____

By:_____
(Your Signature)

Its:_____
(Your Position)

ADDENDUM TO
PIRTEK®
FRANCHISE AGREEMENT FOR THE
STATE OF CALIFORNIA

This Addendum pertains to franchises sold in the State of California and is for the purpose of complying with California statutes and regulations. Notwithstanding anything that may be contained in the body of the Agreement to the contrary, the Agreement is amended as follows:

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

2. The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

3. Sections 12.C and 14.C.1(g) of the Franchise Agreement contains a covenant not to compete which extends beyond the term of the franchise. This provision may not be enforceable under California law.

4. Section 13 of the Franchise Agreement requires binding arbitration. The arbitration will occur in Orlando, Florida.

5. Section 14.C.1(g) of the Franchise Agreement requires the execution of a general release if the franchise is transferred. This provision may not be enforceable under California law.

6. The one year contractual statute of limitation for bringing claims set forth in Section 13.D of the Franchise Agreement may not be enforceable under California law.

7. Sections 16.J (Waiver of Jury Trial) and 16.K (Waiver of Punitive Damages) of the Franchise Agreement may not be enforceable under California law.

8. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

9. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

PIRTEK USA LLC	YOU: _____
By:_____	By:_____
Its:_____	Its:_____

ADDENDUM TO
PIRTEK®
FRANCHISE AGREEMENT FOR THE
STATE OF HAWAII

This Addendum pertains to franchises sold in the State of Hawaii and is for the purpose of complying with Hawaii statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. Sections 4 and 14 are amended to provide that the general release that may be required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Hawaii Franchise Registration and Disclosure Law.

2. Section 8.A of the Franchise Agreement is amended to include the following statement: The Hawaii Securities Commissioner has required a financial assurance. All initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the Franchise Agreement.

3. Section 16 is hereby amended to provide that any disclaimers or acknowledgments by you under this Section are not intended to nor shall act as a release, estoppel or waiver of any liability incurred under the Hawaii Franchise Registration and Disclosure Law.

4. Section 16.I is amended to provide that you may bring a lawsuit in Hawaii for claims arising under the Hawaii Franchise Registration and Disclosure law. Specifically, the following language is hereby inserted between the fifth and sixth sentences of 16.I:

> You may bring such action in the federal or state court of the State in which the Territory is located or in which you reside.

5. Section 16.I is further amended to provide that any claims arising under the Hawaii Franchise Registration and Disclosure Law must be brought within three (3) years after the date of the Franchise Agreement.

6. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

PIRTEK USA LLC	YOU: _____
By:_____	By:_____
Its:_____	Its:_____

ADDENDUM TO
PIRTEK®
FRANCHISE AGREEMENT FOR THE
STATE OF ILLINOIS

This Addendum pertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. Section 2 of the Agreement is hereby amended to include the following language:

   You are solely responsible for locating a site for the Franchised Location that meets our standards and criteria and that is acceptable to us. We generally will respond within 30 days of your request for approval of a proposed site. If we do not approve the site you propose, we will permit you to examine alternative search areas for your site. Although this Agreement does not terminate if you do not select a site with a prescribed time period, you may not commence construction on the Service Center until we approve the site.

2. Section 8.A of the Franchise Agreement is amended to include the following statement:

   With respect to the Initial Franchise Fee, we shall defer the payment of the initial franchise fee and other initial payments owed to us, or our affiliate, by you until such time as all initial obligations owed to you under the Franchise Agreement or other agreements have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement. The Illinois Attorney General has imposed this deferral requirement upon the payment of the Initial Franchise Fee, pursuant to Section 200.508 of the Illinois Franchise Disclosure Act.

3. The fourth and fifth sentences of Section 16.B of the Agreement are hereby deleted in their entirety.

4. Section 16.B of the Agreement is hereby amended to include the following:

   Nothing in this Section 16.B, however, may be construed to mean that you may not rely on representations in the PIRTEK® Disclosure Document that we provided to you in connection with the offer and purchase of your PIRTEK® Business, although those representations do not become part of the Franchise Agreement.

5. Subparagraph 16.I.1 of the Agreement is hereby deleted in its entirety and the following substituted in lieu thereof:

   Except to the extent governed by the United States Trademark Act of 1946, as amended (Lanham Act, 15 U.S.C. Section 1051 et seq.), this Agreement shall be governed by and interpreted in accordance with the law of the state of Illinois. This Agreement shall 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. The provisions of this subparagraph shall survive the termination of this Agreement. Franchisee is aware of the business purposes and needs underlying the language of this subparagraph, and with the complete understanding thereof, agrees to be bound in a manner set forth. Subject to subparagraph 13.A, 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 the Illinois federal or state court for the Territory in which you are located.

6. Section 16.J the Agreement is hereby deleted in its entirety.

7. Currently, an Illinois franchisee could not have a territory that includes parts of Illinois and another state. Illinois law, therefore, would apply for any Territory located in Illinois.

8. The Acknowledgment Addendum is unenforceable under Illinois law because it may have the effect of forcing a franchisee to waive or release certain rights that you as a franchisee have under the Illinois Franchise Disclosure Act, 815 IL § 705.

9. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

PIRTEK USA LLC	YOU: _____
By:_____	By:_____
Its:_____	Its:_____

ADDENDUM TO
PIRTEK®
FRANCHISE AGREEMENT FOR THE
STATE OF MARYLAND

This Addendum pertains to franchises sold in the State of Maryland and is for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. Sections 4 and 14 are amended to provide that the general release that may be required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 8.A of the Franchise Agreement is amended to include the following statement: The Maryland Securities Commissioner has required a financial assurance. All initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the Franchise Agreement.

3. Section 16 is hereby amended to provide that any disclaimers or acknowledgments by you under this Section or any other Section are not intended to nor shall act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. Section 16.I is amended to provide that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure law. Specifically, the following language is hereby inserted between the fifth and sixth sentences of 16.I:

> You may bring such action in the federal or state court of the State in which the Territory is located or in which you reside.

5. Section 16.I is further amended to provide that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the date of the Franchise Agreement.

6. Section 16.P of the Franchise Agreement is amended as follows: “The general release required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

7. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

PIRTEK USA LLC	YOU: _____
By:_____	By:_____
Its:_____	Its:_____

ADDENDUM TO
PIRTEK®
FRANCHISE AGREEMENT FOR THE
STATE OF MINNESOTA

This Addendum pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. We will undertake the defense of any claim of infringement by third parties involving the PIRTEK Trademark, and you will cooperate with the defense in any reasonable manner prescribed by us with any direct cost of such cooperation to be borne by us.

2. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Agreement, Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the Franchise Agreement.

3. Nothing in the Disclosure Document or Franchise 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 the jurisdiction. In addition, Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. Therefore, Section 16.I is amended by the addition of the following language:

> Subject to Section 13.A, 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 the Federal District Court for the Middle District of Florida in Orlando, Florida or in Brevard County Circuit Court, Fifth Judicial District, Titusville, Florida or the federal or state court of the Territory in which the Franchisee is located.

4. Section 16.J is deleted in its entirety.

5. The second sentence of Section 13.B of the Agreement is deleted in its entirety and has no further force and effect and the following is substituted in lieu thereof:

> Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will forthwith be entitled to seek an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators.

6. The following sentence is added to the end of Section 8A: All initial fees and payments shall be deferred until all initial obligations owed to franchisee under the Franchise commenced doing business pursuant to the Franchise Agreement.

7. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

PIRTEK USA LLC	YOU: _____
By:_____	By:_____
Its:_____	Its:_____

ADDENDUM TO
PIRTEK®
FRANCHISE AGREEMENT FOR THE
STATE OF NEW YORK

This Addendum pertains to franchises sold in the State of New York and is for the purpose of complying with New York statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Section 12 of the Franchise Agreement contains a covenant not to compete which extends beyond the term of the franchise. This provision may not be enforceable under New York law.

2. Section 15(E)(1) of the Franchise Agreement requires the application of the laws of Florida. This provision may not be enforceable under New York law.

3. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

PIRTEK USA LLC	YOU: _____
By:_____	By:_____
Its:_____	Its:_____

ADDENDUM TO
PIRTEK®
FRANCHISE AGREEMENT FOR THE
STATE OF NORTH DAKOTA

This Addendum pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. The Sections of the Franchise Agreement requiring that you sign a general release, as a condition of renewal and or assignment, may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

2. The Franchise Agreement and Nondisclosure and Non-Competition Agreement contain a covenant not to compete which may not be enforceable under North Dakota law.

3. The section of the 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.

4. The sections of the 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.

5. The section of the Franchise Agreement requiring franchisees 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.

6. The section of the Franchise Agreement that requires Franchisee to consent to a waiver of exemplary and punitive damages shall not be enforceable in North Dakota.

7. The sections of the Franchise Agreement requiring Franchisee to agree to the mediation or arbitration of disputes at a location that is remote from the site of Franchisee's business are not enforceable. The parties shall mutually agree upon a site in North Dakota for any mediation required by the Franchise Agreement.

8. Section 8.A of the Franchise Agreement is amended to include the following statement: All initial fees and payments shall be deferred until all initial obligations owed to franchisee under the Franchise Agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the Franchise Agreement.

Except as amended herein, the Franchise Agreement will be construed and enforced pursuant to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee Initials	Franchisor Initials

ADDENDUM TO
PIRTEK®
FRANCHISE AGREEMENT FOR THE
STATE OF RHODE ISLAND

The Rhode Island Addendum is only applicable if you are a resident of Rhode Island or if your business will be located in Rhode Island.

The Franchise Agreement is amended consistent with Section 19-28.1-14 of the Rhode Island Franchise Investment Act, which provides as follows:

> "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."

In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

PIRTEK USA LLC	YOU: _____
By:_____	By:_____
Its:_____	Its:_____

ADDENDUM TO
PIRTEK®
FRANCHISE AGREEMENT FOR THE
STATE OF VIRGINIA

Section 8.A of the Franchise Agreement is revised to provide as follows:

"The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement."

Section 11 of the Franchise Agreement is revised to provide as follows:

"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."

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

PIRTEK USA LLC	YOU: _____
By:_____	By:_____
Its:_____	Its:_____

ADDENDUM TO
PIRTEK®
FRANCHISE AGREEMENT 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.

Section 8.A of the Franchise Agreement is modified as follows: Pursuant to a requirement by the Securities Division, the collection of all initial fees and payments will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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.

The following paragraphs are added to the end of the Agreement:

> In recognition of the requirements of the Washington Franchise Investment Protection Act (the "Act") and the rules and regulations promulgated thereunder, the Franchise Agreement shall be modified as follows:
>
> Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable by a franchisor against an employee of the franchisee unless the employee's earnings from the party seeking enforcement, when annualized, exceed one hundred thousand dollars per year (an amount that will be adjusted annually for inflation). Pursuant to RCW 49.62.030, a noncompetition covenant is void and unenforceable by a franchisor against an independent contractor of the franchisee unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed two hundred fifty thousand dollars per year

(an amount that will be adjusted annually for inflation). As a result, the franchisor will not require franchisee to have its employees and independent contractors sign any agreement that contains noncompetition covenants that would violate RCW49.62.020 by binding an employee of franchisee making less than one hundred thousand dollars per year (an amount that will be adjusted annually for inflation) or an independent contractor of franchisee making less than two hundred fifty thousand dollars per year on an annual basis (an amount that will be adjusted annually for inflation).

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting the franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or a franchisee or (ii) soliciting or hiring any employee of the franchisor. As a result, the franchisor will not require the franchisee to sign any non-solicitation agreement that would violate RCW 49.62.060 by restricting, restraining or prohibiting the franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or a franchisee or (ii) soliciting or hiring any employee of the franchisor.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

PIRTEK USA LLC	FRANCHISEE

ADDENDUM TO
PIRTEK®
FRANCHISE AGREEMENT FOR THE
STATE OF WISCONSIN

This Addendum pertains to franchises sold in the State of Wisconsin and is for the purpose of complying with Wisconsin statutes and regulations. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, Section 11.B of the Agreement pertaining to "Termination by Us" is extended as follows:

> For all franchises sold in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between Franchisor and Licensee inconsistent with the Law.

3. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

PIRTEK USA LLC	YOU: _____
By:_____	By:_____
Its:_____	Its:_____

PERSONAL GUARANTY AND AGREEMENT TO BE BOUND
PERSONALLY BY THE TERMS AND CONDITIONS
OF THE FRANCHISE AGREEMENT

In consideration of the execution of this Franchise Agreement by us, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in this Franchise Agreement, to be paid, kept and performed by you.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in this Franchise Agreement and agree that this Personal Guaranty should be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement, including without limitation the dispute resolution and noncompete provisions of the Franchise Agreement.

Each of the undersigned waives: (i) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (ii) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (iii) any right the undersigned has to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by your insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guaranty inures to the benefit of the successors and assigns of us.

PERSONAL GUARANTORS

Your Signature	Your Signature
Print Name	Print Name
Address	Address
City State Zip Code	City State Zip Code
Telephone	Telephone
Social Security Number	Social Security Number

APPENDIX A
TO PIRTEK® FRANCHISE AGREEMENT

TIER 1

DBA TRADE NAME FOR YOUR BUSINESS: PIRTEK

FRANCHISED LOCATION

As stated in Paragraph 2 of the Franchise Agreement, subject to the terms and conditions of the Franchise Agreement, the Franchised Location at which you must conduct your PIRTEK Business is defined as follows: _____
_____.

TERRITORY

As stated in Paragraph 2 of the Franchise Agreement, subject to the terms and conditions of the Franchise Agreement, the Territory in which you must conduct your PIRTEK Business is defined as follows: _____
_____.

Franchisee acknowledges and agrees that it has conducted its own due diligence with respect to the Territory offered in the Franchise Agreement, and the Territory is sufficient to support the Franchisee's PIRTEK Business.

Initials:

Us: _____

You: _____

TIER 2

DBA TRADE NAME FOR YOUR BUSINESS: PIRTEK

FRANCHISED LOCATION

As stated in Paragraph 2 of the Franchise Agreement, subject to the terms and conditions of the Franchise Agreement, the Franchised Location at which you must conduct your PIRTEK Business is defined as follows: _____

TERRITORY

As stated in Paragraph 2 of the Franchise Agreement, subject to the terms and conditions of the Franchise Agreement, the Territory in which you must conduct your PIRTEK Business is defined as follows:

_____

_____

Franchisee acknowledges and agrees that it has conducted its own due diligence with respect to the Territory offered in the Franchise Agreement, and the Territory is sufficient to support the Franchisee's PIRTEK Business.

In order to maintain the Territory with the Territory protections set forth in Paragraph 2, you must have 2 MSS Units and 2 MSS Technicians in the Territory within 120 days of the Effective Date of the Franchise Agreement.

ADDITIONAL MSS UNIT, TECHNICIANS AND THE SERVICE & SUPPLY CENTER, AND PAYMENT OF INITIAL FRANCHISE FEE INSTALLMENTS

A. On or before fifteen months (_____), from the date that the Franchise Agreement is signed you must (i) pay a $10,000 Initial Franchise Fee Installment, and (ii) add one additional MSS Unit and one MSS Technician (for a total of three MSSUs and three MSSTs).

B. On or before twenty-seven months ( ) from the date the Franchise Agreement is signed, you must pay a $10,000 Initial Franchise Fee Installment.

C. On or before thirty-nine months ( ) from the date the Franchise Agreement is signed, you must (i) pay the final $10,000 Initial Franchise Fee Installment; and (ii) open a Service & Supply Center; and (ii) add a Technical Sales Rep (TSR) whose primary responsibilities will be sales and promoting the PIRTEK product and services in the Territory.

If at any time you do not maintain the MSS Units and MSS Technicians as set forth above, we will notify you of the default and give you a cure period under the Franchise Agreement to cure the default. If you don't cure the default, we have the right to reduce the Territory or exercise other remedies set forth in the Franchise Agreement.

Service Center Facility. As part of the Tier 2 franchise, you will not be required to operate the Service Center and comply with Sections 5.A-E of the Franchise Agreement until the time you add your third MSSU to the Business, provided that you comply with the following conditions:

_____

_____

_____

_____

Opening Set-up Fee; Initial Technology Start-up Fee. For the Tier 2 franchise, payment of the Opening Set-up Fee and Initial Technology Start-up Fee in the second sentence of Section 8.A of the Franchise Agreement is replaced with the following:

In addition, you must pay to us an Initial Technology Start-up Fee in an amount equal to $5,000 to $10,000 (as we determine), which is payable prior to the date you commence business operations. Also, when you convert from a Tier 2 to a Tier 1 Center, we may charge you an Opening Set-up Fee in an amount equal to $5,000 to $14,000 (as we determine), which amount shall become due and payable at the time services are requested.

APPENDIX B
TO PIRTEK® FRANCHISE AGREEMENT

OWNERSHIP AND MANAGEMENT ADDENDUM

1. **Owners**. The Owners are:

Name	Percent Interest	Address

2. **Controlling Owner**. The Controlling Owner is: _____

_____

3. **Designated Manager** (**if other than the Controlling Owner**). The Designated Manager is: _____

4. **Change**. You must immediately notify us in writing of any change in the information in this addendum and, at our request, prepare and sign a new addendum with the correct information.

_____

5. **Defined Terms**. All capitalized terms used in this addendum but not defined have the same meanings as given to them in the franchise agreement.

PIRTEK USA LLC

By: _____
Its: _____

YOU: _____

By: _____
Its: _____

APPENDIX C
TO PIRTEK® FRANCHISE AGREEMENT

MARKS

You have the right to use the following trademarks and service marks in accordance with the attached Franchise Agreement.

We reserve the right to update the trademarks and service marks that you may use through updates to the Manual or this Appendix C. You agree to use only those trademarks and service marks that are then currently authorized.

Pirtek® (Word Only)

(Word and Design)

Each of the above trademarks and service marks may be used only in the manner specified by us and in connection with the goods and services specified by us. No deviations will be permitted.

Initials:

Us: _____

You: _____

APPENDIX D
TO PIRTEK® FRANCHISE AGREEMENT

Addendum to Lease

This Lease Addendum ("Addendum"), dated _____, 20__, is entered into between _____ ("Lessor"), and _____ ("Lessee").

RECITALS

A. The parties have entered into a Lease Agreement, dated _____, 20__, (the "Lease") for the premises located at _____ (the "Premises").

B. Lessee has agreed to use the Premises only for the operation of a hose service center business from the Premises pursuant to a Franchise Agreement (the "Franchise Agreement") with Pirtek USA LLC ("Pirtek") under the name PIRTEK® or other name Pirtek designates (the "Business").

C. The parties desire to amend the Lease in accordance with the terms and conditions contained in this Addendum.

AGREEMENT

Lessor and Lessee agree as follows:

1. Remodeling and Decor. Lessor agrees to allow Lessee to remodel, equip, paint and decorate the interior of the Premises and to display such proprietary marks and signs on the interior and exterior of the Premises pursuant to the Franchise Agreement and any successor Franchise Agreement.

2. Assignment. Lessee has the right to assign all of its right, title and interest in the Lease to PIRTEK or PIRTEK's affiliates or successors at any time during the term of the Lease, including any extensions or renewals, without first obtaining Lessor's consent. No assignment will be effective, however, until PIRTEK or its designated affiliate or successor gives Lessor written notice of its acceptance of the assignment. If PIRTEK elects to assume the lease under this paragraph or unilaterally assumes the lease as provided for in subparagraphs 3(c) or 4(a), Lessor and Lessee agree that (i) Lessee will remain liable for the responsibilities and obligations, including amounts owed to Lessor, prior to the date of assignment and assumption, and (ii) PIRTEK will have the right to sublease the Premises to another licensee, provided the licensee agrees to operate the Business as a PIRTEK Business pursuant to a Franchise Agreement with PIRTEK. PIRTEK will be responsible for the lease obligations incurred after the effective date of the assignment.

3. Default and Notice.

(a) In the event there is a default or violation by Lessee under the terms of the Lease, Lessor agrees to give Lessee and PIRTEK written notice of such default or violation within a reasonable time after Lessor knows of its occurrence. Lessor agrees to provide PIRTEK the written notice of default as written and on the same day Lessor gives it to Lessee. Although PIRTEK is under no obligation to cure the default, PIRTEK will notify Lessor if it intends to cure the default and unilaterally assume Lessee's interest in the lease as provided in Paragraph 3(c). PIRTEK will have an additional 15 days from the expiration of Lessee's cure period in which to cure the default or violation.

(b) All notices to PIRTEK must be sent by registered or certified mail, postage prepaid, to the following address:

Pirtek USA LLC
300 Gus Hipp Boulevard
Rockledge, FL 32955
Attention: Kim Gubera

PIRTEK may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees to notify both Lessee and PIRTEK of any change in Lessor's mailing address to which notices should be sent.

(c) Upon Lessee's default and failure to cure a default under either the Lease or the Franchise Agreement, PIRTEK has the right (but not the obligation) to unilaterally assume Lessee's interest in the Lease in accordance with Paragraph 2.

4. Termination or Expiration.

(a) Upon the expiration or termination of the Franchise Agreement, PIRTEK has the right (but not the obligation) to unilaterally assume Lessee's interest in the Lease in accordance with Paragraph 2.

(b) Upon the expiration or termination of the Lease, if PIRTEK does not assume Lessee's interest in the Lease, Lessor agrees to cooperate and allow PIRTEK to enter the Premises, without cost and without being guilty of trespass and without incurring any liability to Lessor, to remove all signs, awnings, and all other items identifying the Premises as a PIRTEK Business and to make such other modifications as are reasonably necessary to protect the Marks and System, and to distinguish the Premises from PIRTEK Facilities. In the event PIRTEK exercises its option to purchase assets of Lessee, Lessor agrees to permit PIRTEK to remove all such assets being purchased by PIRTEK.

5. Consideration; No Liability.

(a) Lessor acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement and that Lessee may not lease the Premises without this Addendum.

(b) Lessor acknowledges that Lessee is not an agent or employee of PIRTEK and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind PIRTEK or any affiliate of PIRTEK and that Lessor has entered into this Addendum with full understanding that it creates no duties, obligations or liabilities of or against PIRTEK or any affiliate of PIRTEK.

(c) Nothing contained in this Addendum makes PIRTEK or its affiliates a party or guarantor to the Lease, and does not create any liability or obligation of PIRTEK or its affiliates.

6. Modification. No amendment or variation of the terms of this Addendum is valid unless made in writing and signed by the parties and the parties have obtained PIRTEK's written consent.

7. Reaffirmation of Lease. Except as amended or modified in this Addendum, all of the terms, conditions and covenants of the Lease remain in full force and effect.

8. Miscellaneous.

(a) PIRTEK is a third party beneficiary of this Addendum.

(b) References to the Lease and to the Franchise Agreement include all amendments, addenda, extensions and renewals to the documents.

(c) References to Lessor, Lessee and PIRTEK include the successors and assigns of each of the parties.

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

LESSEE:	LESSOR:
_____	_____
By: _____	By: _____
Title: _____	Title: _____

APPENDIX E
TO PIRTEK® FRANCHISE AGREEMENT

COMPUTER SOFTWARE LICENSE AGREEMENT

DATE: _____

PARTIES:

Pirtek USA LLC ("Us")
300 Gus Hipp Boulevard
Rockledge, Florida 32955

_____ ("You")
_____
_____

RECITALS:

A. You and we are parties to that certain Franchise Agreement dated _____, _____ (the "Franchise Agreement").

B. Infor Business Systems ("Infor") has developed a proprietary computer network system (the "SyteLine Software System") that uses proprietary software known as "SyteLine."

C. Infor has authorized us to provide SyteLine and related third party software (the "Software") to our franchisees.

D. We are willing to grant you a limited license to such software by remote access in the operation of your business as authorized under the Franchise Agreement and this Computer Software License Agreement ("Agreement").

AGREEMENTS:

1. Limited License.

A. In consideration of One Dollar ($1.00) and other good and valuable consideration and fees as described herein, we hereby grant you a limited license to use, through remote access, the Software described on Schedule A as the same may be modified, updated and supplemented from time to time for the purposes specified herein, which may include proprietary software for use in the mobile service fleet subject to all of the terms, conditions, covenants, obligations and restrictions herein.

B. This License also covers all substitutions and replacements for any portion of the Software and any other item hereafter delivered by us or Intuit to you for use in connection with the Software.

C. You acknowledge that this license permits use of the Software described in Schedule A (as well as all substitutions, replacements, or additions relating thereto which

we hereafter make available to you) only in the form in which they are delivered to you and does not entitle you to use or receive copies of any programs in other than machine readable form, or copies of any design specifications, logic diagrams, flow charts, source code listings, object code listings, or any other similar programming documentation.

2. License Restrictions. This Agreement authorizes you to use the Software subject to the following restrictions:

A. You may use the Software licensed hereunder only on the hardware approved by Epicor and us as being compatible with its use.

B. You may use the Software only in the conduct of your PIRTEK hose service business, as authorized under the Franchise Agreement.

C. You may not duplicate or copy the Software in any manner (electronically or otherwise) or translate or transfer the same electronically into any other machine readable or printed form.

D. You may not, without our advance written consent, make or attempt to make any modification, correction or other change to the Software or any part thereof.

3. Third Party Software Products You acknowledge that the Software includes: (i) the SyteLine Software System, which is proprietary to Infor; (ii) SSQL Server, which is the database system SyteLine uses and (iii) Windows Server, which is the operating system needed to run Infor. You are responsible to obtain at your expense the word processing, spreadsheet and Internet access software (including technical support) for use with your personal computer.

4. Software Maintenance and Support.

A. As of the date of this Agreement, we have agreed to provide maintenance and support for the Software on the terms and for the fees described in Schedule B (the "Maintenance and Support Services"). We may elect to modify the terms (including fees) and scope of the Maintenance and Support Services at any time.

B. You must pay any travel or other out of pocket expenses incurred after the date of this Agreement for the Maintenance and Support Services.

5. Proprietary Rights and Security of the Technology.

A. The Software and all documentation, materials and information delivered to or learned by you from SyteLine or us in connection therewith are the sole and exclusive property of Intuit or its suppliers. All copies of or modifications, improvements, corrections or changes made to the Software licensed hereunder (whether or not any of the foregoing are authorized) also are the sole and exclusive property of SyteLine or its suppliers.

B. You may not sell, transfer, dispose or otherwise encumber the Software or any part thereof, nor disclose or otherwise make available the Software and documentation to any person without our prior written consent.

C. You may not copy or duplicate the Software or documentation, except with our prior written consent.

D. You acknowledge that the arrangement described in this Agreement is a true license, and not a security interest, but nevertheless agree to execute and deliver to us for filing such forms of Uniform Commercial Code financing statements as we reasonably may request.

E. You must include SyteLine's copyright and other proprietary rights notices on all copies of the Software and related documentation.

F. You must, at your expense, protect and defend SyteLine's title to the Software and at all times keep the same free and clear from all liens, claims or encumbrances.

6. Your Covenants.

A. You must follow all instructions (including manufacturer's instructions) furnished by Intuit or us with the Software.

B. You must promptly report any malfunction, errors, or interruptions in operation of the Software to us.

C. You must permit SyteLine, us or our respective designees to enter the premises where the Software is located, or to electronically access such Software from time to time at reasonable times to inspect the same and to provide (or arrange for others to provide) such updates, additions, replacements or substitutions as SyteLine or we in our sole discretion deem necessary or advisable.

D. You agree to pay when due and to indemnify and hold SyteLine and us harmless from and against all sales, use, personal property and other taxes of any kind relating to this License or the possession or use of the Software.

E. You must take such action as may be necessary (whether by instruction, agreement or otherwise) with respect to any persons permitted access to the Software so as to enable you to satisfy your obligations hereunder.

7. Warranties, Limitations of Warranties and Limitations of Liabilities and Remedies.

A. We warrant that, so long as you are not in default under this Agreement, you may enjoy quiet and peaceful remote access to the Software.

B. You acknowledge that:

(1) EXCEPT AS STATED ABOVE, SYTELINE AND WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER PERTAINING TO THE SOFTWARE, INCLUDING THE DESIGN OR CONDITION THEREOF, ITS MERCHANTABILITY OR

FITNESS, CAPACITY, OR DURABILITY FOR ANY PARTICULAR PURPOSE, OR THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREOF.

(2) SYTELINE AND WE WILL NOT BE LIABLE TO YOU OR ANY OTHER PERSON FOR ANY LIABILITY, CLAIM, LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE (WHETHER ARISING OUT OF WARRANTY OR OTHER CONTRACT, NEGLIGENCE, OR OTHER TORT, OR OTHERWISE) CAUSED DIRECTLY OR INDIRECTLY BY THE SOFTWARE OR ANY INADEQUACY THEREOF FOR ANY PURPOSE, OR ANY DEFICIENCY OR DEFECT THEREIN OR INTERRUPTION IN THE OPERATION THEREOF, OR THE USE OR MAINTENANCE THEREOF, OR ANY REPAIRS, SERVICE OR ADJUSTMENTS THERETO, OR ANY DELAY IN PROVIDING OR FAILURE TO PROVIDE ANY OF THE FOREGOING, OR ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF, OR ANY LOSS OF BUSINESS, OR ANY DAMAGE WHATSOEVER, INCLUDING ALL INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES RESULTING FROM ANY OF THE FOREGOING.

8. Default. You will be deemed to be in default hereunder if you fail to perform any of your obligations hereunder, violate any provision hereof, or fail to perform or breach any of your obligations under any other agreement with us (including the Franchise Agreement). You also will be deemed to be in default hereunder if you become insolvent, admit your inability to pay your debts as they become due, or if any voluntary or involuntary proceedings are instituted by or against you under any law related to bankruptcy, insolvency or receivership, or if you make any assignment for the benefit of creditors.

9. Termination of License. The license granted herein will terminate immediately under the following circumstances:

A. Upon the giving of written notice by us to you following the occurrence of a default by you as described in Paragraph 8 herein;

B. Upon the effective date of any termination of the Franchise Agreement; or

C. Upon such other date as the parties mutually may stipulate in writing.

10. Duties and Obligations of You Upon Termination. Upon termination of the license granted herein pursuant to Paragraph 9 above, you immediately must cease use of the Software and upon demand must deliver to us possession of all copies of the Software, if any, together with all materials, documents, programs and updates in connection therewith and any and all other software programs that are modifications of or contain any part of the Software licensed hereunder (whether or not any of the foregoing were authorized by us). At our request, you must assemble all of the foregoing and make the same available to us at a place designated by us that is reasonably convenient to both parties. You must permit us without legal process to enter upon any premises where any of the foregoing materials are located to take possession of the same, and hereby release

us from any claim of loss or damage to any property that is caused by us or our agents in the course of effecting such repossession.

11. Third Party Beneficiary. You agree that Infor is a third party beneficiary of the rights of us under this Agreement.

12. Entire Agreement. This Agreement is the entire agreement between the parties with respect to the Software. We will not be deemed to have waived or agreed to any modification hereof, and no such purported modification or waiver will be binding against us, unless the same is set forth in a writing signed by an authorized officer of us.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Us:

PIRTEK USA LLC

By: _____

Its: _____

You:

_____

(Print Name)

_____

(Your Signature)

Company Name:

_____

By: _____

(Your Signature)

Its: _____

(Your Position)

Schedule A

Description of Software

Pirtek USA uses SyteLine as the basis for the PIRTEK Technology. SyteLine is built and deployed on Microsoft.NET technology platform and comprises "Windows Server" as the base operating system, SSQL Server" as the underlying database, and a Microsoft.NET framework of core native Microsoft technologies to deliver the application.

The main computer server is located at our corporate data facility in Florida. Each Franchisee's data is held on this server. You will access this data via an internet connection/VPN.

Following is a brief description of the modules used in the day-to-day processing in a Franchise:

1. **Order Processing**
- Record Sales Orders directly onto the system
- Produce Quotations
- Process Invoices and Credit Notes
- Allows for Cash Sales Dockets

2. **Debtors—Accounts Receivables**
- Maintain Debtor and Customer records
- Cash Receipting
- Payment History Analysis
- Credit Management facility
- Inquiry on Debtors and Customers

3. **Inventory**
- Maintain Product, Stock and Supplier records
- Record Stock adjustments, receipts and transfers
- Stocktake Facility
- Inquiry on Product levels and Stock status

4. **Purchasing**
- Records Purchase Orders directly onto the system
- Cash commitment analysis reports
- Receiving documents automatically printed

5. **Payables/General Ledger**
- Full featured accounting and reporting
- Check printing
- Maintain accounts payable and vendor records

6. **Reporting**
- Reporting and Data Analysis

Schedule B

Maintenance and support Services
(including fees)

LICENSES (Paid to PIRTEK)	**Per Month Charges**
SyteLine License	$255/month per license
Pmobile License	$75/month per license
Tier 1 Minimum:	3 SyteLine Licenses (i.e. Owner/Ops, Counter, Admin) 4 Pmobile Licenses (4 min or 1 per van)
Tier 2 Minimum:	2 SyteLine Licenses (i.e. Owner/Ops, Admin) 2 Pmobile Licenses (2 min or 1 per van)

For additional information, refer to the Operations Manual

INTERNET CONNECTION (Paid to 3rd Party)	**Per Month Charges**
(This is an approximation as this is subject to service offered in your designated area, and will be subject to installation fees and equipment leasing, which vary by vendor.)	$90 - $120

EQUIPMENT (Purchased by You)	**Approximate Cost**
Desktop PC w/Monitor (2 required)	$650 each
PCL5 or PCL6 Laser Printer (network capable)	$200 - $500
CAT 5/6 Cable (Printer)	$16

Appendix to Schedule B

INDIVIDUAL PRICING FOR CONFIGURED EQUIPMENT

APPENDIX F
TO PIRTEK® FRANCHISE AGREEMENT

DRAFT AUTHORIZATION FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

_____ (Name of Legal Entity)
_____Name Account (if different)
(Street Address) (City, State, Zip Code)
Federal Tax Identification Number:_____Phone Number: (____)_____

The undersigned depositor ("DEPOSITOR") hereby authorizes Pirtek USA ("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") and to debit such account pursuant to COMPANY's instructions for any and all amounts due to COMPANY. The DEPOSITOR understands that all amounts debited from the account below will be credited to COMPANY's account.

DEPOSITORY	Branch	
City	State	Zip Code
Telephone Number of Bank	Type of Account	
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 to act on it. Notwithstanding the foregoing, DEPOSITORY shall provide COMPANY and DEPOSITOR with thirty (30) days' prior written notice of the termination of this authority. If an erroneous debit entry is initiated to DEPOSITOR's account, DEPOSITOR shall 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 shall 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: _____
Title:_____
Date: _____

APPENDIX G
TO PIRTEK® FRANCHISE AGREEMENT

ASSIGNMENT OF TELEPHONE NUMBERS

Date: _____

This assignment is effective as of the date of termination of the Franchise Agreement entered into between Pirtek USA LLC ("we" or "us") and _____("you" or "franchisee"). You hereby irrevocably assign to us or our designee the telephone number or numbers and listings issued to you with respect to each and all of your PIRTEK hose service center businesses ("telephone numbers," including all mobile/cell phone numbers). This assignment is for collateral purposes only and we have no liability or obligation of any kind whatsoever arising from this assignment, unless we desire to take possession and control over the telephone numbers. You also agree to notify the telephone companies of the termination or expiration of your right to use all telephone numbers and all classified and other directory listings.

We are hereby authorized and empowered upon termination of the Franchise Agreement and without any further notice to you to notify the telephone company, as well as any other company that publishes telephone directories ("telephone companies"), to transfer the telephone numbers to us or such other person or firm as is designated by us. In furtherance thereof, you hereby grant an irrevocable power of attorney to us and appoint us as your attorney-in-fact to take any necessary actions to assign the telephone numbers, including but not limited to, executing any forms that the telephone companies may require to effectuate the assignment. This assignment is also for the benefit of the telephone companies, and the telephone companies may accept this assignment and our instructions as conclusive evidence of our rights in the telephone numbers and our authority to direct the amendment, termination or transfer of the telephone numbers, as if they had originally been issued to us. In addition, you agree to hold the telephone companies harmless from any and all claims against them arising out of any actions or instructions by us regarding the telephone numbers.

Us:

PIRTEK USA LLC

By:_____
Its:_____

You:

_____
(Print Name)

_____
(Your Signature)

Company Name:

_____

By:_____
(Your Signature)
Its:_____
(Your Position)

Notary for Your Signature

Subscribed and sworn to before me
this_____day of_____

_____

Notary Public

APPENDIX H
TO PIRTEK ® FRANCHISE AGREEMENT

ASSIGNMENT OF DOMAIN NAME AND E-MAIL ADDRESS

Date: _____

This assignment is effective as of the date of termination of the Franchise Agreement entered into between Pirtek USA LLC ("we" or "us") and _____ ("you" or "franchisee"). You hereby irrevocably assign to us or our designee the domain names and e-mail addresses issued to you with respect to each and all of your PIRTEK hose service center businesses. You agree to pay all amounts, whether due and payable or not, that any domain name registry ("Registry") or internet service provider ("ISP") may require in connection with such transfer. This assignment is for collateral purposes only and we have no liability or obligation of any kind whatsoever arising from this assignment, unless we desire to take possession and control over the domain names and e-mail addresses.

We are hereby authorized and empowered upon termination of the Franchise Agreement and without any further notice to you to notify the Registry and the ISP to transfer the domain names and e- mail addresses to us or such other person or firm as is designated by us. In furtherance thereof, you hereby grant an irrevocable power of attorney to us and appoints us as your attorney-in-fact to take any necessary actions to assign the domain names and e-mail addresses, including but not limited to, executing any forms that the Registry and the ISP may require to effectuate the assignment. This assignment is also for the benefit of the Registry and the ISP, and the Registry and the ISP may accept this assignment and our instructions as conclusive evidence of our rights in the domain names and e-mail addresses and our authority to direct the amendment, termination or transfer of the domain names and e- mail addresses, as if they had originally been issued to us. In addition, you agree to hold the Registry and the ISP harmless from any and all claims against them arising out of any actions or instructions by us regarding the domain names and e-mail addresses.

Us:

PIRTEK USA LLC

By:_____
Its:_____

You:

_____
(Print Name)

_____
(Your Signature)

Company Name:

_____

By:_____
(Your Signature)
Its:_____
(Your Position)

Notary for Your Signature

Subscribed and sworn to before me
this_____day of_____

_____

Notary Public

ACKNOWLEDGMENT ADDENDUM TO
PIRTEK® FRANCHISE AGREEMENT

As you know, you and we are entering into a Franchise Agreement for the operation of a PIRTEK® franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.[*]

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least (a) 14 calendar days prior to signing the Franchise Agreement, **or** (b) if you are a resident of **New York**, at the earlier or the first personal meeting or 10 business days before the execution of the franchise or other agreement or payment of any consideration, **or** (c) if you are a resident of **Iowa or Michigan**, at the earlier of 10 business days before the execution of any binding agreement or payment of any consideration? Check one: ( ) Yes ( ) No. If no, please comment: _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement ? Check one: (__) Yes (_) No. If no, please comment: _____

3. If we made any unilateral changes to the Franchise Agreement, did you receive a copy of the complete revised agreement at least seven calendar days prior to the date on which the Franchise Agreement was executed? Check one: (__) Yes (_) No. If no, please comment: _____

4. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? Check one (__) Yes (_) No. If no, please comment: _____

5. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in the Disclosure Document? Check one: (_____) No (_) Yes. If yes, please state in detail the oral, written or visual claim or representation: _____

6. Except as stated in Item 19 of the Disclosure Document, did any employee or other person speaking on behalf of Pirtek USA LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested , predicted or projected sales,

[*] Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law. Except to the extent we have negotiated changes to the Franchise Agreement that differ from the Franchise Disclosure Document, nothing in this Acknowledgement Addendum or in any related agreement is intended to disclaim representations made in Pirtek USA, LLC's 2022 Franchise Disclosure Document that was furnished to you.

revenues, earnings, income or profit levels at any PIRTEK® location or business, or the likelihood of success at your franchised business? Check one: (____) No (_) Yes. If yes, please state in detail the oral, written or visual claim or representation: _____

_____

7. Did any employee or other person speaking on behalf of Pirtek USA LLC make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document. Check one: (___) No (_) Yes. If yes, please comment:_____

_____

8. Do you understand that that the franchise granted is for the right to operate a Business at the Franchised Location and for the Territory only and includes no exclusive area or protected territory outside the Territory or any other franchise or development rights in any way, and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations, as we determine, near or adjacent to your Franchised Location or Territory, and the other rights set forth in Paragraph 2 of the Franchise Agreement? Check one: (____) Yes (_) No. If no, please comment: _____

_____

9. Have you conducted your own independent investigation of the PIRTEK franchise and not relied solely upon any oral or written representation about the franchise made by Franchisor, including assessing market conditions and investigation of the PIRTEK reputation in your geographic area? Check one: (___) Yes (_____) No. If no, please comment: _____

_____

10. 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 PIRTEK brand and Marks 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, training, supervision and termination of your employees and all other employment and employee related matters? Check One: (_) Yes (_____) No. If no, please comment: _____

_____

11. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Subparagraphs 10.C and that an injunction is an appropriate remedy to protect the interests of the PIRTEK® system if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non- compete covenants in defined broadly in subparagraph 10.C, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? (__) Yes (_____) No. If no, please comment:_

_____

12. Do you understand that you will pay the then-current price in effect at the time for the Inventory Products and other Non-Inventory Items you purchase from us and that we may derive revenue from the sale of such products to you by charging more than our wholesale purchase price from the manufacturers? (___) Yes (_____) No. If no, please comment: _____

13. Do you understand that our affiliate, Pirtek Fluid System Pty. Ltd. ("PFS"), does not guarantee the performance of our obligations to you and that the Franchise Agreement is a contract just between you and us. Check One: (____) Yes (_____) No. If no, please comment: _____

14. No franchise seller(s), other than _____ (identified by me on the Receipt), was involved in offering the franchise to me, except as follows: _____ _____(If none, you should write "NONE" in your own handwriting and initial.)

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS CONTROLLING OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed:_____	Signed:_____
Print Name:_____	Print Name:_____
Date:_____	Date:_____

APPROVED ON BEHALF OF PIRTEK USA LLC

Signed_____	By:_____
Print Name:_____	Title:_____
Date:_____	Date:_____

EXHIBIT 4

Audited Financial Statements

DASZKALBOLTON
accountants & advisors

Pirtek USA, LLC and Subsidiaries

Consolidated Financial Statements

December 31, 2022, 2021 and 2020

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DASZKALBOLTON
accountants & advisors

Independent Auditors' Report

To the Member and Management
Pirtek USA, LLC and Subsidiaries
Rockledge, Florida

Opinion

We have audited the accompanying consolidated financial statements of Pirtek USA, LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022, 2021 and 2020, and the related consolidated statements of income, changes in member's equity (deficit), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022, 2021 and 2020, 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 (US GAAP).

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with US GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Continued from previous page

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with US GAAS, we:

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

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

Marcum LLP

Boca Raton, Florida
March 21, 2023

Pirtek USA, LLC and Subsidiaries
Consolidated Balance Sheets
December 31, 2022, 2021 and 2020

Assets

	2022	2021	2020
Current assets:			
Cash	$ 2,405,935	$ 3,152,374	$ 2,809,112
Accounts receivable, net of allowance for uncollectible accounts of $100,000 at December 31, 2022, $44,659 at December 31, 2021 and $40,000 at December 31, 2020, respectively	5,981,648	5,172,655	4,767,221
Receivables, other	623,672	180,024	789
Related party receivables	-	-	90,536
Current portion of notes receivable	889,304	460,281	343,140
Inventory, net of allowance of $55,000 at December 31, 2022, $40,000 at December 31, 2021, and $40,000 at December 31, 2020, respectively	5,550,256	5,330,870	3,619,137
Prepaid expenses	4,108,314	2,736,604	2,153,001
Deposits	88,685	88,685	95,366
Total current assets	19,647,814	17,121,493	13,878,302
Property, plant and equipment:			
Computer software and hardware	1,612,732	1,612,732	1,562,081
Office furniture and equipment	687,245	704,894	719,952
Van and warehouse equipment	2,160,140	2,116,848	2,261,810
Vehicles	404,069	583,574	895,881
Leasehold improvements	142,730	142,730	174,823
Total property, plant and equipment	5,006,916	5,160,778	5,614,547
Less: accumulated depreciation	(2,994,118)	(2,656,637)	(2,392,988)
Property, plant and equipment, net	2,012,798	2,504,141	3,221,559
Other assets:			
Notes receivable, less current portion	2,834,403	3,675,047	2,797,516
Master franchise agreement, net	335,105	335,105	335,105
Franchise agreements, reacquired	-	150,000	300,000
Goodwill, net	137,063	235,689	1,014,857
Right of use asset	10,968,223	-	-
Total other assets	14,274,794	4,395,841	4,447,478
Total assets	$ 35,935,406	$ 24,021,475	$ 21,547,339

See accompanying notes to consolidated financial statements.

Liabilities and Member's Equity (Deficit)

	2022	2021	2020
Current liabilities:			
Accounts payable	$ 1,999,165	$ 2,022,829	$ 1,058,124
Accrued payroll obligation	91,592	72,325	59,623
Other accrued liabilities	1,182,187	590,636	274,358
Current portion of right of use lease liability	1,228,246	-	-
Current portion of notes payable	909,801	958,047	904,339
Current portion of capital leases	14,754	81,259	185,600
Income taxes payable	3,412,052	2,127,152	1,223,785
Deferred revenue	1,674,398	1,046,979	775,025
Total current liabilities	10,512,195	6,899,227	4,480,854
Long-term liabilities:			
Notes payable, less current portion	7,842,471	18,442,471	24,210,504
Capital leases, less current portion	34,706	145,315	234,704
Deferred tax liability, net	331,827	392,223	676,163
Right of use lease liability, less current portion	9,739,977	-	-
Total long-term liabilities	17,948,981	18,980,009	25,121,371
Total liabilities	28,461,176	25,879,236	29,602,225
Member's equity (deficit):			
Member's equity (deficit)	7,474,230	(1,857,761)	(8,054,886)
Total member's equity (deficit)	7,474,230	(1,857,761)	(8,054,886)
Total liabilities and member's equity (deficit)	$ 35,935,406	$ 24,021,475	$ 21,547,339

See accompanying notes to consolidated financial statements.

Pirtek USA, LLC and Subsidiaries
Consolidated Statements of Income
For the Years Ended December 31, 2022, 2021 and 2020

	2022		2021		2020	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:						
Product and labor sales	$ 28,318,995	79.9%	$ 25,744,292	82.2%	$ 21,464,804	81.7%
Initial franchise and training fees	707,614	2.0%	473,155	1.5%	413,152	1.6%
Licensing fees	5,012,066	14.1%	3,852,252	12.3%	3,250,618	12.4%
Software user license fees	1,426,027	4.0%	1,263,775	4.0%	1,153,051	4.4%
Total revenues	35,464,702	100.0%	31,333,474	100.0%	26,281,625	100.0%
Cost of sales	10,830,314	30.5%	9,825,058	31.4%	7,781,419	29.6%
Gross profit	24,634,388	69.5%	21,508,416	68.6%	18,500,206	70.4%
Operating expenses	11,235,207	31.7%	12,086,711	38.6%	10,905,450	41.5%
Income from operations	13,399,181	37.7%	9,421,705	30.0%	7,594,756	28.9%
Other (expenses) income:						
Other expense, net	(479,584)	-1.4%	(135,884)	-0.4%	(627,578)	-2.4%
Interest income	225,750	0.6%	159,510	0.5%	119,313	0.5%
Gain on extinguishment of debt	-	0.0%	931,597	3.0%	-	0.0%
Interest expense	(896,548)	-2.5%	(1,343,087)	-4.3%	(1,607,863)	-6.1%
Total other (expenses)	(1,150,382)	-3.2%	(387,864)	-1.2%	(2,116,128)	-8.1%
Income before income taxes	12,248,799	34.5%	9,033,841	28.8%	5,478,628	20.8%
Income tax expense	(3,285,240)	-9.3%	(1,884,282)	-6.0%	(1,230,816)	-4.7%
Net income	$ 8,963,559	25.3%	$ 7,149,559	22.8%	$ 4,247,812	16.2%

* Amounts may not foot due to rounding.

See accompanying notes to consolidated financial statements.

Pirtek USA, LLC and Subsidiaries
Consolidated Statements of Changes in Member's Equity (Deficit)
For the Years Ended December 31, 2022, 2021 and 2020

	Units	Member's Equity (Deficit)	Total
Balance - December 31, 2020	5,029,672	$ (8,054,886)	$ (8,054,886)
Non cash member contribution	-	(952,434)	(952,434)
Net income	-	7,149,559	7,149,559
Balance - December 31, 2021	5,029,672	(1,857,761)	(1,857,761)
Member contributions	-	368,432	368,432
Net income	-	8,963,559	8,963,559
Balance - December 31, 2022	5,029,672	$ 7,474,230	$ 7,474,230

See accompanying notes to consolidated financial statements.

Pirtek USA, LLC and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022, 2021 and 2020

	2022	2021	2020
Cash flows from operating activities:			
Net income	$ 8,963,559	$ 7,149,559	$ 4,247,812
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	491,753	637,258	853,834
Amortization	75,000	75,000	198,379
Allowance for doubtful accounts	55,341	4,659	-
Inventory reserve	15,000	-	-
Disposal of franchise agreements	150,000	-	-
(Gain) loss on sale of assets	(258,667)	(107,691)	2,053
Changes in operating assets and liabilities:			
Accounts receivable	(864,334)	(410,093)	(1,024,289)
Receivables, other	(157,292)	(1,025)	10,393
Inventory	(274,386)	(1,280,327)	360,780
Prepaid expenses	(1,371,860)	(569,955)	(154,087)
Deposits	-	7,289	(608)
Accounts payable	(23,664)	1,222,167	(496,472)
Accrued payroll obligation	19,267	12,702	8,911
Other accrued liabilities	623,236	316,278	(173,762)
Income taxes payable	1,284,900	939,579	(335,643)
Deferred revenue	627,419	271,954	24,593
Deferred tax liability	(60,395)	(283,939)	36,987
Net cash provided by operating activities	9,294,877	7,983,415	3,558,881
Cash flows from investing activities:			
Investment in company owned store	-	-	(1,932,612)
Cash received on sale of franchises	480,000	-	-
Purchase of franchise agreements	-	(50,000)	-
Issuance of notes receivable	-	(1,800,978)	(748,414)
Net payments received from notes receivable	413,713	631,287	252,711
Acquisition of property, plant and equipment	(377,995)	(616,553)	(57,737)
Net cash provided by (used in) investing activities	515,718	(1,836,244)	(2,486,052)
Cash flows from financing activities:			
Net payments to related parties	(286,356)	(87,674)	6,868
Member contributions	368,432	-	-
Borrowings on notes payable	-	-	931,957
Principal payments of notes payable	(10,600,000)	(5,597,660)	(2,589,798)
Borrowings on capital leases	-	35,549	38,220
Principal payments of capital leases	(39,110)	(154,124)	(341,618)
Net cash used in financing activities	(10,557,034)	(5,803,909)	(1,954,371)
Net increase (decrease) in cash	(746,439)	343,262	(881,542)
Cash, beginning of year	3,152,374	2,809,112	3,690,654
Cash, end of year	$ 2,405,935	$ 3,152,374	$ 2,809,112

See accompanying notes to consolidated financial statements.

Pirtek USA, LLC and Subsidiaries
Consolidated Statements of Cash Flows, continued
For the Years Ended December 31, 2022, 2021 and 2020

	2022	2021	2020
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest	$ 896,548	$ 1,343,087	$ 1,607,863
Cash paid during the year for income taxes	$ 3,424,283	$ 2,232,839	$ 1,605,437
Supplemental disclosure of non-cash investing and financing activities:			
Financing of vehicles and equipment with capital lease obligations	$ -	$ -	$ 38,220
Contribution of member deficit via Pirtek Canada consolidation	$ -	$ 952,434	$ -

See accompanying notes to consolidated financial statements.

Note 1 – Nature of Business

Pirtek USA, LLC ("Pirtek USA") is the master franchisee for the United States of America ("USA") of Pirtek Fluid Systems PTY Ltd. (an Australian company). During November 2021, Pirtek USA and Pirtek Fluid Systems PTY Ltd amended and replaced the Master Franchise Agreement ("MFA") with a Trademark License Agreement ("TLA") granting the right to license and use the trademarks and system standards of the Pirtek business. All franchise agreements and existing franchises are now subject to the terms and conditions of the TLA. The term of the TLA is twenty (20) years. Pirtek USA is organized as a limited liability company, and as such, no member is liable for the debts, liabilities, or obligations of Pirtek USA beyond their capital contributions and particular guarantees in place. Pirtek USA grants franchises, provides marketing, training, and central parts inventory warehousing to its franchisees.

On October 15, 2020, Pirtek USA organized Hydraulic Hose of Virginia Beach, LLC ("Virginia Beach"). Virginia Beach is a limited liability company organized under the laws of the State of Virginia and is a wholly owned subsidiary of Pirtek USA. On November 6, 2020, Virginia Beach acquired one (1) location, Pirtek Norfolk ("Norfolk"), now known as Pirtek Virginia Beach ("Virginia Beach"). See Business Acquisitions Note. Norfolk was previously a wholly owned subsidiary of Pirtek USA from July 2017 to May 2018. Norfolk was sold in May 2018 by Pirtek USA. Virginia Beach offers hydraulic/industrial hose installation and replacement services at its retail location in Virginia Beach, Virginia and via service/delivery vehicles. On December 1, 2022, Pirtek USA sold Virginia Beach.

On January 8, 2020, Pirtek USA organized WABU, LLC ("WABU"). WABU is a limited liability company organized under the laws of the State of Florida and is a wholly owned subsidiary of Pirtek USA. On January 21, 2020, WABU acquired six (6) Pirtek locations, d/b/a Pirtek Ft. Myers ("Ft. Myers"), Pirtek Lakeland ("Lakeland"), Pirtek Ocala ("Ocala"), Pirtek Pensacola ("Pensacola"), Pirtek Sarasota ("Sarasota") and Pirtek Tallahassee ("Tallahassee"). See Business Acquisitions Note. The six (6) Pirtek locations offer hydraulic/industrial hose installation and replacement services at retail locations in the State of Florida and via service/delivery vehicles and three (3) at retail locations in the State of Florida. On December 1, 2021, Pirtek USA sold off four (4) of the six (6) locations. The locations sold were Sarasota, Lakeland, Ocala, and Fort Myers. On February 8, 2022, Pirtek USA sold off the remaining two (2) locations: Pensacola and Tallahassee.

Pirtek Fluid Systems Canada, LTD. ("Pirtek Canada") is a British Columbia company and a wholly owned subsidiary of Pirtek USA. Pirtek Canada intends to operate as a franchisor in the Canadian market offering franchising services like Pirtek USA. The subsidiary began operations on July 1, 2020. In 2020, Pirtek Canada's operations were de minimis. In 2021, Pirtek USA consolidated this entity with the financial statements.

Pirtek Las Vegas, LLC (a Nevada limited liability company), d/b/a Pirtek Las Vegas ("Las Vegas"), is a potential company store location that ultimately would be sold to a potential franchisee and wholly owned subsidiary of Pirtek USA. The subsidiary was established in May of 2021. Las Vegas intends to offer hydraulic/industrial hose installation and replacement services in its Las Vegas, Nevada territory. In 2021 and 2022, Las Vegas' operations were de minimis. In 2021, Pirtek USA consolidated this entity with the financial statements.

Note 2 – Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Pirtek USA and Pirtek Canada, Ft. Myers (January 2020 through November 2021), Lakeland (January 2020 through November 2021), Ocala (January 2020 through November 2021), Pensacola (January 2020 through February 2022), Sarasota (January 2020 through November 2021), Tallahassee (January 2020 through February 2022), Virginia Beach (November 2020 through December 2022), Las Vegas, its wholly owned subsidiaries (the "Company"). All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("Topic 606").

Topic 606 prescribes a five (5) step model that focuses on transfer of control and entitlement to payment when determining the amount of revenue to be recognized. Under Topic 606, an entity is required to perform the following five (5) steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the Company satisfies a performance obligation.

Pirtek USA recognizes revenues on product sales as products are shipped to the franchisees. The wholly owned subsidiaries recognize revenues on product sales as products are sold or installed and on services as services are completed.

Pirtek USA recognizes revenues on initial individual franchise and training fees of $20,000 – $50,000 when all of the following criteria are met: (1) the parties to the contract have approved the contract and are committed to perform their respective obligations, (2) the Company is able to identify each party's rights regarding the goods or services to be transferred, (3) the Company is able to identify the payment terms for the goods or services to be transferred, (4) the contract has commercial substance and (5) it is probable that the Company will collect substantially all of the consideration to which they are entitled in exchange for the goods or services transferred to the franchisee. Services included in the initial fee include training, site selection, marketing, and other consulting services. Upon the opening of the location, initial individual franchise fees are recognized as revenue, ranging from $10,000 - $20,000. The remainder of the initial individual franchise fees are recognized over the life of the franchise agreement which is typically ten (10) years.

Note 2 – Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

Pirtek USA recognizes revenues on licensing fees monthly as they are billed to the franchisees. Licensing fees equal 4% of a franchisee's monthly gross sales.

Pirtek USA recognizes revenue on Technology Fees monthly as they are billed to the franchisees. Technology Fees are for software services, mobile technology, cyber security, other communication lines, and technology services. Technology fees are comprised of two separate billings. A software fee is charged at a minimum of $250 per month per license for a minimum number of licenses. A mobile software fee is charged at a minimum of $75 per month per mobile unit for a minimum number of mobile units. Franchisees at their discretion can increase the number of licenses above the minimums for an additional charge.

Deferred Revenue

Deferred revenue consists of funds received for initial franchisee fees which are amortized as revenue over the life of the franchise agreement which is typically ten (10) years. Management classifies deferred revenue within current liabilities in the consolidated balance sheets and believes that the classification is a conservative approach as it reduces the presentation of the Company's working capital. The Company offers various initial franchise fee arrangements. Generally, the initial franchise fee is $50,000, of which $10,000 - $20,000 is recognized upon opening of the location, and the remaining balance is amortized over the life of the franchise agreement. Deferred revenue estimated to be recognized as revenue in the consolidated statements of income for the year ended December 31, 2022 is $1,674,398.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity date of three (3) months or less to be cash equivalents. The Company does not hold any cash equivalents. At times throughout the year, the Company's cash balances may exceed Federal Deposit Insurance Corporation ("FDIC") limits. The Company had cash deposits more than the FDIC limits totaling $1,924,906, $3,076,741 and $2,408,957 at December 31, 2022, 2021 and 2020, respectively. The Company has not experienced any losses in such accounts.

Accounts and Notes Receivable

Accounts receivable evolve in the normal course of business. Pirtek USA considers receivables outstanding for more than sixty (60) days delinquent. All the wholly-owned subsidiaries determine the delinquency of receivables on a case-by-case basis. Notes receivable range in interest from 0% to 8%. The finance charge is 5.25% - 9.5%. The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Company's estimates are based on historical collection experience and a review of the current status of trade accounts receivable. For larger accounts, the allowance for losses is determined primarily on the basis of management's best estimate of probable losses, including specific allowances for known troubled accounts.

Note 2 – Summary of Significant Accounting Policies, continued

Inventory

Inventory is stated at the lower of cost or net realizable value (market) using the average cost method. Inventory consists of hydraulic hoses, metal hose fittings, shop and van equipment, office, and marketing supplies. A valuation allowance is provided for obsolete and slow-moving inventory to write down the cost to net realizable value, if necessary. The valuation allowance is calculated as a percentage of the inventory considered slow-moving based on the Company's historical sales data.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Expenditures for maintenance and repairs are charged against operations in the period incurred. For financial reporting purposes depreciation and amortization of property, plant and equipment are provided using the straight-line method over the estimated useful lives of the assets as follows:

Computer software and hardware	3 - 5 years
Office furniture and equipment	5 - 7 years
Van and warehouse equipment	7 - 10 years
Vehicles	5 years
Leasehold improvements	2 - 15 years

Intangible Assets

The MFA was contributed to the Company by its member and former members as part of their initial capital contribution. Goodwill was recorded related to the purchase of assets by Pirtek USA, Inc. in February 1998. In May 1999, the Company paid $156,000 for certain exclusive territory rights. The MFA, TLA, goodwill and territory rights, because of their indefinite lives, are all included with goodwill in regards to testing for impairment. If considered impaired, goodwill and intangible assets are written down to fair value and a corresponding impairment loss is recognized. Effective December 1, 2014, the Company has elected to apply the accounting alternative allowed under update 2014-02 to the *FASB ASC 350, Intangibles – Goodwill and Other*, and has begun amortizing the remaining goodwill related to the February 1998 purchase of assets using the straight-line method over ten (10) years.

Income Taxes

Pirtek USA is organized as a taxable corporation under the Internal Revenue Code ("IRC"). Accordingly, these consolidated financial statements include a provision for federal and state income taxes.

The Company provides deferred income taxes for temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for income tax purposes. Deferred income taxes are computed using enacted tax rates that are expected to be in effect when the temporary differences reverse. A valuation allowance related to a deferred tax asset is recorded when it is more likely than not that some portion or the entire deferred tax asset will not be realized. The Company classifies interest and penalties, if any, related to income tax as income tax expense.

The Company's tax years subject to examination by the U.S. Federal or State tax authorities remain open for three (3) years from the date of filing.

Note 2 – Summary of Significant Accounting Policies, continued

Income Taxes, continued

The Company records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. At December 31, 2022, 2021 and 2020, the Company has no liabilities for uncertain tax positions.

Advertising Costs

Advertising costs are generally charged to operations in the period incurred and totaled $333,505, $346,265 and $309,041 for the years ended December 31, 2022, 2021 and 2020, respectively.

Financial Instruments

The Company's financial instruments consist of accounts receivable, notes receivable, accounts payable, notes payable, and capital lease obligations. It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from these instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), to provide a new comprehensive model for lease accounting. Under this guidance, lessees and lessors should apply a "right-of-use" model in accounting for all leases (including subleases) and eliminate the concept of operating leases as off-balance sheet lease arrangements. Recognition, measurement, and presentation of expenses will depend on classification as a finance or operating lease. Topic 842 establishes a right-of-use model ("ROU") that requires a lessee to recognize a ROU asset and lease liability on the balance sheets for all leases with a term longer than twelve (12) months. Leases will be classified as finance or operating, with classification affecting the recognition, measurement, and presentation of expenses in the consolidated statements of income and members' equity (deficit).

The Company adopted the guidance in Topic 842 on January 1, 2022 ("the transition date") and elected to adopt the transition relief provisions from ASU 2018-11 to use this date as the date of initial application. Consequently, financial information has not been updated and the disclosures required under Topic 842 have not been provided for dates and periods before January 1, 2022. The Company's reporting for 2020 and 2021 presented in the consolidated financial statements includes the disclosures required under ASC Topic 840. There was no material cumulative effect adjustment to the opening balance of members' equity (deficit) required.

Topic 842 provides a number of optional practical expedients in transition. The Company has elected all of Topic 842's available transition practical expedients which permit it not to reassess under Topic 842 prior conclusions about lease identification, lease classification and initial direct costs. The Company did not elect the practical expedient pertaining to land easements as it is not applicable to the Company. The Company has elected the practical expedient to not separate lease and non-lease components for its leases.

Note 2 – Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740)—simplifying the Accounting for Income Taxes, which removes certain exceptions to the general principles in Topic 740 and amends existing guidance to improve consistent application. ASU 2019-12 is required to be adopted for annual periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. Management is currently evaluating the impact of the adoption of this guidance on the Company's consolidated financial statements.

Paycheck Protection Program

The Company records Paycheck Protection Program ("PPP") loan proceeds in accordance with FASB ASC 470, *Debt*. Debt is extinguished when either the debtor pays the creditor or the debtor is legally released from being the primary obligor, either judicially or by the creditor. During 2021, the PPP loan was fully forgiven by the Small Business Administration (SBA) and included within other income in the accompanying consolidated statements of income.

Reclassifications

Certain accounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year consolidated financial statements.

Date of Management's Review

The Company evaluates events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial statements. The accompanying consolidated financial statements consider events through March 21, 2023, the date at which the consolidated financial statements were available to be issued.

Note 3 – Business Acquisitions

On January 21, 2020, WABU acquired six (6) Pirtek centers Ft. Myers, Lakeland, Ocala, Pensacola, Sarasota, Tallahassee and certain purchased assets from one former franchisee owner for a total purchase price of $1,790,893.

On November 6, 2020, Virginia Beach acquired Pirtek center Norfolk and certain purchased assets from one former franchisee owner for a total purchase price of $141,719.

In accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations*, the Company accounts for an acquisition using the purchase method under which the acquisition purchase price is associated to the assets acquired and the liabilities assumed based upon their respective fair values. The Company utilized management estimates in determining the fair values of assets acquired and liabilities assumed.

Note 3 – Business Acquisitions, continued

During the measurement periods, the Company will adjust assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of those assets and liabilities as of that date. These adjustments are made in the period in which the amounts are determined, and the current period income effect of such adjustments will be calculated as if the adjustments had been completed as of the acquisition date.

The following table summarizes management's allocation of the purchase price to the estimated fair values of net assets acquired for the acquisition dated January 21, 2020:

Inventory	$ 319,795
Property and equipment	1,094,753
Franchise agreements, reacquired	300,000
Capital leases	(704,429)
Goodwill	780,744
	$ 1,790,863

The following table summarizes management's allocation of the purchase price to the estimated fair values of net assets acquired for the acquisition dated November 6, 2020:

Inventory	$ 136,536
Property and equipment	83,600
Capital leases	(25,437)
Bargain purchase gain	(52,980)
	$ 141,719

On November 30, 2021, Pirtek USA, LLC announced the sale of four (4) of the six (6) WABU locations for a purchase price of $1,500,000. Pirtek USA, LLC recognized a gain of $67,823 in fiscal year 2021 on the sale of the four WABU locations.

On February 8, 2022, Pirtek USA, LLC entered into an agreement for the sale of remaining two (2) of the six (6) WABU locations for a purchase price of $430,000. Pirtek USA, LLC recognized a loss of $476,768 in fiscal year 2022 on the sale of two (2) WABU locations.

On December 1, 2022, Pirtek USA entered into an agreement for the sale of the Virginia Beach location for a purchase price of $300,000. Pirtek USA, LLC recognized a gain of $17,303 in fiscal year 2022 on the sale of the Virginia Beach location.

Note 4 – Notes Receivable

In May 2017, the Company entered into a note receivable related to the sale of the Palo Verde franchise in the amount of $150,000. The interest rate is 6% and requires monthly payments of principal and interest for one hundred twenty (120) months. In March 2019, the Company amended the note for a principal amount of $140,772, the interest rate is 6% and requires monthly payments of principal and interest in the amount of $3,306 for forty-eight (48) months. The note was scheduled to mature in March 2024. In February of 2021, the Company and Palo Verde entered into a Mutual Termination Agreement and the loan was written off.

In October 2017, the Company reclassified receivables due from an existing franchisee to a $296,235 note receivable. The interest rate is 6% and requires payments interest only for the first twelve (12) months in the amount of $1,481, payments of principal and interest totaling $2,500 for months thirteen (13) through twenty-four (24), $3,500 for months twenty-five (25) through thirty-six (36), $4,500 for months thirty-seven (37) through forty-eight (48), and $5,500 for months forty-nine (49) through sixty (60), with the first payment due on November 1, 2017. On October 1, 2022, a balloon payment of the outstanding principal and interest of $168,671 was due. A new note receivable was entered into on October 1, 2022 for $168,671. The interest rate is 8% and requires monthly payments of principal and interest in the amount of $6,300 for twelve (12) months. On November 15, 2023, a balloon payment of the outstanding principal and interest is due totaling $105,799.

In July 2018, the Company entered into a note receivable related to the sale of the Foster franchise in the amount of $777,448. The interest rate is 6% and requires payments of principal and interest in the amount of $8,000 for one hundred twenty (120) months, with the first payment due September 1, 2018 and a balloon payment of $103,452 due on October 1, 2028.

In February 2019, the Company entered into a note receivable related to the sale of the Inland Valley and Commerce South franchises in the amount of $800,000. The interest rate is 6% and requires payments of principal and interest in the amount of $6,751 for sixty (60) months, with the first payment due April 1, 2019 and a balloon payment of $608,073 due on March 31, 2024.

In February 2019, the Company entered into a note receivable related to the sale of the Tampa franchise in the amount of $790,000. The interest rate is 6% and requires payments of principal and interest in the amount of $18,771 for the first nine (9) months, payments of principal and interest of $8,771 for months ten (10) through thirty-six (36), with the first payment due March 1, 2019, and a balloon payment of $495,318 due on February 1, 2022. In February 2020, the note was amended.

The remaining balance due of $709,587, the amended principal balance, requires payments of principal and interest in the amount of $7,878 for thirty-six (36) months, with the first payment due March 1, 2020, and a balloon payment of $539,264 due on February 1, 2023.

In September 2020, the Company reclassified receivables due from an existing franchisee to a $400,000 note receivable. The interest rate is 6% and requires payments of principal and interest in the amount of $4,802 for one hundred eight (108) months, with the first payment due November 1, 2020. The note matures in October 2029.

Note 4 – Notes Receivable, continued

In December 2021, the Company entered into a note receivable related to the sale of the Sarasota, Ft. Myers, Lakeland, and Ocala franchises in the amount of $1,450,000. The interest rate is 6% and requires payments of principal and interest in the amount of $9,343 for thirty-five (35) months, with the first payment due January 1, 2022, and a balloon payment of $1,377,037 due on December 1, 2024.

Note 5 – Intangibles

As required by the FASB Statement No. 142, *Goodwill and Other Intangible Assets*, in December 2002, the Company ceased amortizing amounts for goodwill related to the purchase of assets by Pirtek USA, Inc. in February 1998, the master franchise agreement and exclusive territory rights. The original costs of the goodwill, the master franchise agreement and the exclusive territory rights were $975,835, $450,000, and $156,000, respectively. Amortization of goodwill, the master franchise agreement, and the exclusive territory rights of $242,911, $114,895 and $30,913, respectively, were expensed through November 30, 2002.

In accordance with the FASB ASC 350, *Intangibles – Goodwill and Other*, the fair value of the Company has been compared with the carrying value of its assets. The Company has determined that none of the goodwill, master franchise agreement or exclusive territory rights recorded were impaired at December 31, 2022, 2021 and 2020. The fair value of these intangible assets was determined using the market approach.

Effective December 2014, the Company adopted ASU 2014-02 to the *FASB ASC 350*, which allows an entity to take goodwill relating to each business combination or reorganization event resulting in fresh start reporting (amortizable unit of goodwill) and amortize it on a straight-line basis over ten (10) years, or less than ten (10) years if the Company demonstrates that another useful life is more appropriate. Goodwill of the Company (or a reporting unit) shall be tested for impairment if an event occurs, or circumstances change that indicates the fair value of the Company (or the reporting entity) may be below its carrying amount. The Company has taken the remaining goodwill associated with the purchase of the assets of Pirtek USA, Inc. in February 1998, and began to amortize it over a ten (10) year period effective December 1, 2014.

In January 2020, the Company acquired six (6) Pirtek centers which resulted in recording goodwill totaling $780,774 and franchise agreements, reacquired, totaling $300,000. Management records franchise agreements reacquired at fair value. Management has elected not to amortize goodwill related to the acquisition of the six (6) Pirtek centers. Management tests for impairment annually. Impairment exists when the carrying amount of goodwill exceeds its implied fair value. An impairment loss is recognized for the amount that the carrying amount exceeds its fair value.

Management did not identify an impairment to goodwill and intangible assets during the years ended December 31, 2022, 2021 and 2020.

Note 5 – Intangibles, continued

The gross carrying amount and accumulated amortization of intangible assets subject to amortization was as follows:

December 31, 2022	Estimated Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Goodwill	10 years	$ 975,834	$ 838,771	$ 137,063
Total		$ 975,834	$ 838,771	$ 137,063

December 31, 2021	Estimated Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Goodwill	10 years	$ 975,834	$ 763,771	$ 212,063
Total		$ 975,834	$ 763,771	$ 212,063

December 31, 2020	Estimated Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Goodwill	10 years	$ 975,834	$ 688,771	$ 287,063
Total		$ 975,834	$ 688,771	$ 287,063

Amortization expense of goodwill and other intangible assets totaled $75,000, $75,000 and $198,379 for the years ended December 31, 2022, 2021 and 2020, respectively.

Future amortization expense consists of the following:

Years Ending December 31,	Amount
2023	$ 75,000
2024	62,063
	$ 137,063

Note 6 – Long-Term Notes Payable

Long-term notes payable consists of the following at December 31:

	2022	2021	2020
Pirtek USA, LLC			
Note payable, related party, in relation to a member contribution agreement (see Transfers of Interest Note), originally payable in four quarterly interest only installments commencing March 2015 and sixteen quarterly principal installments of $1,990,404, plus an amount equal to all interest accrued on the note through the date of payment, commencing March 2016 through December 2019, interest at 6%. The note is unsecured. In December 2019, the note maturity was extended through December 2024. Effective December 2015, this note was converted to quarterly interest only installments.	$ 7,842,471	$ 18,442,471	$ 23,942,471
In April 2020, Pirtek USA received loan proceeds in the amount of $682,660 under the PPP. The PPP provides for loans to qualifying companies in amounts up to 2.5 times the company's average monthly payroll expenses. Established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). PPP loans and accrued interest are forgivable after a "covered period" (eight (8) or twenty-four (24) weeks) as long as the borrower uses the funds for eligible expenses. The PPP loan is payable over two (2) years at an interest rate of 1%, with a deferral of payments for six (6) months from the date the Company received the loan proceeds. During 2021, the PPP loan was fully forgiven by the SBA and included within other income in the accompanying statements of income.	-	-	682,660
WABU, LLC			
In May 2020, WABU received loan proceeds in the amount of $248,937 under the PPP. The PPP loan is payable over two (2) years at an interest rate of 1%, with a deferral of payments for six (6) months from the date WABU received the loan proceeds. During 2021, the PPP loan was fully forgiven by the SBA and included within other income in the accompanying statements of income.	-	-	248,937
Twelve (12) notes payables for automobiles assumed related to the 2020 business acquisitions, (See Business Acquisitions Note) with monthly payments ranging from $100 to $800 at interest rates ranging from 5% to 7%. These leases are due at various dates through March 2023. These notes are secured by the vehicles financed.	-	-	240,775
Pirtek Canada			
Two (2) notes payables in the amounts of $199,244 USD and $710,557 USD, respectively. The notes are due on demand and bear no interest.	909,801	958,047	-
Total notes payable	8,752,272	19,400,518	25,114,843
Less: current portion	909,801	958,047	904,339
Long-term portion	$ 7,842,471	$ 18,442,471	$ 24,210,504

Note 6 – Long-Term Notes Payable, continued

Future maturities on notes payable consist of the following:

Years Ending December 31,	Amount
2023	$ 909,801
2024	7,842,471
Total principal payments	$ 8,752,272

Note 7 – Capital Leases

The Company has two (2) equipment capital leases at December 31, 2022.

Future minimum lease payments consist of the following:

Years Ending December 31,	Amount
2023	$ 14,754
2024	14,754
2025	12,843
2026	7,109
Total future minimum lease payments	49,460
Less: current portion	14,754
Long-term portion	$ 34,706

The following is an analysis of the leased equipment under capital leases by major asset class:

	December 31, 2022	December 31, 2021	December 31, 2020
Vehicles	$ -	$ 234,367	$ 328,595
Computer hardware	-	-	91,709
Office equipment	73,769	73,769	38,220
Less: accumulated amortization	(24,810)	(55,213)	(124,410)
Net equipment under capital lease	$ 48,959	$ 252,923	$ 334,114

Amortization of equipment held under capital leases included in depreciation and amortization expense totaled $14,754, $32,733 and $ 87,856 for the years ended December 31, 2022, 2021 and 2020, respectively.

Note 8 – Transfers of Interest

In accordance with the Company's limited liability company agreement, the membership interests of the Company shall be assignable in whole or in part. Unless otherwise approved by the members holding a majority interest, which consent may be granted or withheld in the sole discretion of such members, the assignee of a member's interest shall have no right to participate in the management of the business and affairs of the Company. An assignment of a membership interest shall entitle the assignee to share in such profits and losses, to receive such distribution or distributions, and to receive such allocation of income, gain, loss, deduction, or credit or similar item to which the assignor was entitled, to the extent assigned.

On December 19, 2014, Pirtek USA entered into multiple redemption agreements with certain members to purchase 81.59% of the total membership units outstanding. The redemption agreements for the units called for consideration of $48,628,837 cash, a pro rata share of the November 30, 2014, undistributed net income, and an amount equal to the pro rata share of all net proceeds from any subsequent sale transactions involving the sale of Inland Valley and Commerce South. The pro rata shares of the November 30, 2014 undistributed net income as described in the redemption agreements was calculated to be $3,222,213. In connection with the redemption agreements, Pirtek USA entered into a contribution agreement with an entity related to the Company through common ownership to purchase the redeemed membership units. The contribution agreement called for the purchasing party to contribute to Pirtek USA $16,686,366 as an equity capital contribution and $31,942,471 as a note payable (see *Long-Term Notes Payable* Note).

As described in the Nature of Business Note, Inland Valley and Commerce South were sold in February of 2019 which resulted in payment to former members in the amount of $725,310 for their pro rata share of net proceeds received from the sale. The payment to former members is included in other (expense) income in the accompanying consolidated statements of income.

Note 9 – Related Party Transactions

Included in current assets at December 31, 2022, 2021 and 2020, were $464,566, $0 and $90,536, respectively, of non-interest bearing advances to entities related to the Company through common ownership.

In December 2020, the Company entered a note receivable with a related party through common ownership in the amount of $150,000. The note is non-interest bearing and does not require scheduled payments. Note was fully paid off during 2022.

Note 10 – Commitments and Contingencies

Operating Leases

The Company leases its operating facilities, office space and certain equipment (collectively, the "Operating Leases") under noncancelable lease agreements expiring at various dates through December 2042 . See *Subsequent Event* note.

Note 10 – Commitments and Contingencies, continued

Operating Leases, continued

The Company recognized lease costs associated with all leases as follows:

	For the Years Ended December 31,		
	2022	2021	2020
Operating lease cost:			
Fixed rent expense	$ 1,428,643	$ 1,681,497	$ 1,588,940
Total Lease Costs	$ 1,428,643	$ 1,681,497	$ 1,588,940

Supplemental balance sheet information related to leases was as follows at December 31, 2022:

Operating leases:	
Operating lease right-of-use assets, net	$ 10,968,223
Operating lease liabilities:	
Current portion	(1,228,246)
Long-term portion	$ 9,739,977

Maturities of lease liabilities were as follows:

Year Ending December 31:	Finance Lease	Operating Lease	Total Future Lease Commitments
2023	$ -	$ 1,228,246	$ 1,228,246
2024	-	1,228,246	1,228,246
2025	-	1,228,246	1,228,246
2026	-	1,220,300	1,220,300
2027	-	1,158,396	1,158,396
Thereafter	-	7,637,739	7,637,739
Total lease payments to be paid	-	13,701,174	13,701,174
Less: Future interest expense	-	(2,732,951)	(2,732,951)
Lease liabilities	-	10,968,223	10,968,223
Less: current maturities	-	(1,228,246)	(1,228,246)
Long-term portion of lease liabilities	$ -	$ 9,739,977	$ 9,739,977

Note 10 – Commitments and Contingencies, continued

Employee Benefit Plan

The Company sponsors a 401(k) plan for all qualifying employees. All employees meeting certain age and service requirements are eligible to participate in the plan. Eligible employees are allowed to defer up to 25% of their salaries as contributions, subject to IRC maximum limitations. The Company may also make matching contributions at its discretion. Company contributions to the plan totaled $39,040, $36,207 and $31,614 for the years ended December 31, 2022, 2021 and 2020, respectively.

Litigation

From time to time, the Company may become subject to threatened and/or asserted claims arising in the ordinary course of business. Management provides provisions for these items to the extent that the losses are deemed both probable and reasonably estimable. There have been no provisions recorded for the years ended December 31, 2022, 2021 and 2020, respectively.

Note 11 – Income Taxes

Income tax expense consist of the following for the years ended December 31:

	2022	2021	2020
Current tax expense:			
Federal tax	$ 2,930,487	$ 1,898,411	$ 1,076,742
States tax	481,565	228,741	147,044
Total current tax expense	3,412,052	2,127,152	1,223,786
Deferred tax expense (benefit)	(126,812)	(242,870)	7,030
Total income tax expense	$ 3,285,240	$ 1,884,282	$ 1,230,816

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities consist of the following on December 31:

	2022	2021	2020
Deferred income tax asset	$ 60,396	$ 259,707	$ 198,387
Deferred income tax liability	(392,223)	(651,930)	(874,550)
Deferred tax liability, net	$ (331,827)	$ (392,223)	$ (676,163)

Note 12 – Concentration

The Company had two (2) vendors that accounted for approximately 21% of its products purchased for the year ended December 31, 2022, two (2) vendors that accounted for approximately 20% of its products purchased for the year ended December 31, 2021 and three (3) vendors that accounted for approximately 55% of its products purchased for the year ended December 31, 2020. Accounts payable to these vendors totaled $776,236, $194,688 and $552,322 on December 31, 2022, 2021 and 2020, respectively.

Note 13 – Franchising

Revenue and costs consist of the following for the years ended December 31:

	2022	2021	2020
Company-owned stores:			
Revenue, initial fees, and other income	$ 314,574	$ 3,319,521	$ 3,147,243
Costs and expenses	(344,372)	(3,128,024)	(2,909,687)
Income (loss) - company-owned stores	$ (29,798)	$ 191,497	$ 237,556
Franchise, product and fees:			
Revenue, initial fees and other income	$ 35,265,913	$ 28,723,166	$ 23,874,547
Costs and expenses	(26,272,556)	(21,765,104)	(19,864,291)
Income - franchise, product and fees	$ 8,993,357	$ 6,958,062	$ 4,010,256

Information about the number of Company-owned and franchised stores is as follows:

	2022	2021	2020
Company-owned stores:			
Opened	0	0	0
Sold or converted	3	4	0
Acquired	0	0	7
In operation as of year-end	0	3	7
Franchised stores:			
Opened	12	14	11
Converted from (to) company-owned	3	4	(7)
Terminated	3	2	3
In operation as of year-end	118	106	90

Note 14 – Subsequent Event

On January 1, 2023, the Company entered into a new lease agreement for its operating facilities and office space under a noncancelable lease agreement expiring December 2042.

GUARANTEE OF PERFORMANCE

For value received, PIRTEK USA LLC, a Delaware limited liability company, located at 300 Gus Hipp Boulevard, Rockledge, FL 32955 (the "Guarantor"), absolutely and unconditionally guarantees to assume the duties and obligations of Pirtek Fluid Systems Ply. Ltd, an Australian company incorporated in New South Wales, Australia located at 3-5 Garling Road, Kings Park, New South Wales 2148 (the "Master Franchisor"), under the PIRTEK franchise registration in each state where the PIRTEI(franchise is registered, and under the PIRTEK Franchise Agreement identified in PIRTEK's 2022 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Master Franchisor under the PIRTEK franchise registrations and the Franchise Agreement are satisfied or until any liability of Master Franchisor to PIRTEK franchisees, if any, under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Master Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the pa1t of the Master Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Brevard County, Florida, on the 31st day of March, 2023.

Guarantor:
PIRTEK USA LLC.

By: Kim H. Shubert
Name: K[illegible]eva
Title: President / CEO

EXHIBIT 5

Franchisee and Franchisee Termination Lists

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

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PIRTEK HUNTSVILLE
David Burns
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Phone: 256-530-6055

PIRTEK MONTGOMERY
Larry & Traci Love
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Phone: 404-550-6867

ARIZONA

PIRTEK SKY HARBOR
Stu Bartlett
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CALIFORNIA

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PIRTEK OCALA
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Location: TBD
Phone: 713-572-5439

PIRTEK PLANO SOUTH
Ed Loutherback
811 E Plano Pkwy, Ste 121
Plano, TX 75074
Phone: 972-423-1111

PIRTEK RIVERSIDE
Jeff & Glenda Brilliott
1000 Windsor Dr
McKinney, TX 75072
Phone: 512-448-0800

UTAH

PIRTEK CLEARFIELD
Todd Miceli
3228 South 900 West
South Salt Lake, UT 84119
Phone: 385-429-8377

PIRTEK LEHI
Todd Miceli

1550 North State, Unit A.
Lehi, UT 84043
Phone: 385-336-6999

PIRTEK SALT LAKE CITY
Todd Miceli
3695 W 2340 S
South Salt Lake, UT 84120
Phone: 801-419-0482

VIRGINIA

PIRTEK ALEXANDRIA
Ryan Horner & David Entwistle
4826 Eisenhower Ave Unit D
Alexandria, VA 22304
Phone: 703-665-6698

PIRTEK VIRGINIA BEACH
Ken & Charles Adair
5760 Northampton Blvd 104
Virginia Beach, VA
Phone: 757-460-4673

PIRTEK WEST END
Ken & Charles Adair
2115 Dabney Road
Richmond, VA 23230
Phone: 804-442-7140

WASHINGTON

PIRTEK KENT
Gregory & Ann Shideler
22018 68th Avenue South
Kent, WA 98032
Phone: 253-872-4646

PIRTEK SEATTLE
Gregory & Ann Shideler
5319 4th Avenue S.
Seattle, WA 98108
Phone: 253-872-4646

PIRTEK WOODINVILLE
Gregory & Ann Shideler

16140 Woodinville-Redmond Rd NE Suite 8
Woodinville, WA 98072
Phone: 425-486-6653

WISCONSIN

PIRTEK LAKE WINNEBAGO
Danny & Dylan Rausch
Mobile Only
Phone: 920-777-4673

PIRTEK MADISON
Dan & Dylan Rausch
3654 Copps Ave.
Monoma, WI 53716
Phone: 833-623-4673

PIRTEK MENOMONEE FALLS
Tom Fechter
W140 N5955 Lilly Road
Menomonee Falls, WI 53051
Phone: 262-345-9900

PIRTEK RACINE
Tom Fechter
1500 S Sylvania Ave Suite 108
Sturtevant, WI 53177
Phone: 262-345-9910

PUERTO RICO

PIRTEK PUERTO RICO
Wendelyn Cortes Otero & Jose Carlos Zayas Sepulveda
1131 Call 5 El Edificio, First Floor Villa Nevarez
San Juan Puerto Rico
Phone: 787-425-0247

FRANCHISEES WHO SIGNED AGREEMENTS BUT WERE NOT OPERATIONAL AS OF DECEMBER 31, 2022

Todd & Wendy Cleveland
Covington, PA
Phone: 513-948-1242

Gregory Shideler
San Diego, CA
Phone: 253-872-4646

Robert & Sabrina Guzman
San Antonio
Phone: 210-822-0800

Angharad & Matt Krasowski
Gary, IN
Phone: 815-823-9980

Ed & Suzanne Cushing
Columbus, OH
Phone: 380-203-0077

Michael Nagle
Atlanta, GA
Phone: 404-254-2249

COMPANY OWNED LOCATIONS AS OF DECEMBER 31, 2022

None

LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT, OR HAD AN OUTLET TERMINATED, CANCELLED OR NOT RENEWED AS OF DECEMBER 31, 2022

Neil King
Albuqueruqe, NM
Phone: 505-720-0979
Reason for Leaving: Mutual Termination

Jason & Korina Barrs
Columbia, SC
Phone: 803-814-4046
Reason for Leaving: Mutual Termination

Tom King
Statesville, NC
Phone: (614) 937-4318
Reason for Leaving: Termination

FRANCHISEES WHO HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE ISSUANCE DATE

None

LIST OF TRANSFERS AS OF DECEMBER 31, 2022

PIRTEK Baytown
Phone: 281-837-7203
From: Dean & Lisa Akin/ DL Akin Hydraulics, LLC
To: Brian Rue/ H-Town Hydraulics, INC

PIRTEK Broadway
Phone: 210-822-0800
From: Dean & Lisa Akin/ DL Akin Hydraulics, LLC
To: Robert & Sabrina Guzman/ RSGuzman, LLC.

PIRTEK Katy
Phone: (979) 324-7050
From: Dean & Lisa Akin/ DL Akin Hydraulics, LLC
To: Brandon & Jessie Jones/ BKJ Investment Group, LLC.

PIRTEK Monroeville
Phone: 412-373-9720
From: Kat Valcovic/ MAT-KAT Holdings, LLC
To: Curt Mears/ MAT-KAT Holdings, LLC

PIRTEK NoCo
Phone: 844-221-2121
From: Rick Ramus/ Dolphin Hydraulics, Inc
To: Todd Miceli/ MRES Colorado Hydraulics, Inc

PIRTEK Northwest Crossing
Phone: 281-741-2979
From: Dean & Lisa Akins/ DL Akin Hydraulics, LLC
To: Brian Rue/ H-Town Hydraulics, INC

PIRTEK Pearland
Phone: 713-572-5439
From: Dean & Lisa Akins/ DL Akin Hydraulics, LLC
To: Brian Rue/ H-Town Hydraulics, INC

PIRTEK Pensacola
Phone: 800-963-2136
From: WABUL/ WABU, LLC
To: Salvatore Cavalieri & Luis Alburquerque/ Alka Efficient Quality Services, LLC

PIRTEK Tallahassee
Phone: 850-544-5891
From: WABUL/ WABU, LLC
To: Salvatore Cavalieri & Luis Alburquerque/ Alka Efficient Quality Services, LLC

PIRTEK Valley View
Phone: 216-524-5000
From: William Hubbell/ W&S Hubbell, Inc
To: Tyler Drehs & Taylor Drehs/ T&T Drehs, Inc.

PIRTEK Virginia Beach
Phone: 757-460-4673
From: Hydraulic Hose of Virginia Beach, LLC
To: Ken & Charles Adair/ Sprint Hydraulics, LLC

PIRTEK West End
Phone: 804-442-7140
From: Suchit Gandhi & Bini Desai/ Sai Krishna, LLC
To: Ken & Charles Adair/ Sprint Hydraulics, LLC

*This transfer was the sale of a corporate location by our affiliate WABUL to a franchisee.

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

EXHIBIT 6

Form Confidentiality Agreement

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is made _____ between PIRTEK USA LLC., a Delaware limited liability company with its principal place of business at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 (hereinafter "Company"), and the person, persons or entity whose name, address and signature are written below (hereinafter "Recipient").

WHEREAS, Company has the right to grant franchises to qualified persons for the right to own and operate a "PIRTEK" hose service center business utilizing unique methods of conducting the business of selling, assembling and installing industrial hydraulic hoses, fixed tube assemblies, fittings and related components under certain proprietary names, trade names, service marks and trademarks (the "PIRTEK System");

WHEREAS, Recipient desires to evaluate a franchise from Company to operate a hose service center business using the PIRTEK System (a "PIRTEK Business");

WHEREAS, in connection with this evaluation, Recipient wishes to obtain certain confidential and proprietary information regarding the PIRTEK System and the PIRTEK Business, which includes, but is not limited to, the Operations Manual, processes, materials, methods, techniques and other data (the "Confidential Information"), from Company which will assist Recipient in the evaluation of a PIRTEK Business, and

WHEREAS, Company is willing to disclose certain of its Confidential Information to Recipient, but only on the conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Company and Recipient agree as follows:

1. OBLIGATIONS

1.1 Confidential Information. The Confidential Information shall be kept confidential by Recipient and Recipient's representatives and except with the specific prior written consent of Company, or as otherwise permitted by the terms hereof, will not be reproduced, distributed or disclosed by Recipient, or by Recipient's agents, representatives or employees, in any manner whatsoever, in whole or in part, and shall not be used by Recipient, Recipient's agents, representatives or employees, for any reason or purpose other than in connection with evaluating whether to enter into a Franchise Agreement with Company. Moreover, Recipient agrees to reveal the Confidential Information only to its agents, representatives and employees who need to know the Confidential Information for the purpose of evaluating whether to enter into a Franchise Agreement with Company, who are informed by Recipient of the nature of the Confidential Information and who agree in writing to be bound by the terms and conditions of this Agreement. Recipient agrees to take all reasonable measures to restrain Recipient's agents, representatives and employees from unauthorized disclosure or use of the Confidential Information.

1.2 Company Ownership. Recipient acknowledges that the Confidential Information is owned by Company and Recipient shall never challenge or contest Company's exclusive ownership of the Confidential Information.

1.3 No Rights Granted. Nothing contained in this Agreement shall be construed as granting or conferring any rights in Recipient to obtain a Franchise Agreement from Company, or to any other rights, expressly or impliedly, or otherwise, for any information, invention, discovery, or improvement made, conceived, or acquired prior to or after the date of this Agreement.

1.4 Return of Confidential Information. If Recipient determines that it does not wish to enter into a Franchise Agreement with Company, Recipient shall promptly notify Company of such decision. At such time, or at any other time upon the written request of Company, Recipient shall promptly deliver to Company all documents or other matter furnished by Company or its representatives or agents to Recipient or Recipient's representatives constituting Confidential Information, together with all copies thereof in the possession of Recipient or Recipient's representatives without retaining a copy of any such material. In the event of such request, all other documents or other matter constituting Confidential Information in the possession of Recipient or Recipient's representatives shall be destroyed, with any such destruction confirmed by Recipient in writing to Company.

2. INDEMNIFICATION

Recipient shall indemnify and hold harmless Company, its affiliates, officers, directors, agents and employees for any damage, loss, cost or liability (including reasonable legal fees and reasonable out- of-pocket costs and expenses incurred in enforcing or seeking remedies for the breach of any provision of this Agreement), arising out of or resulting from any unauthorized use or disclosure of the Confidential Information by Recipient or Recipient's agents, representatives or employees, and Recipient specifically agree that, in addition to any other remedies that Company and its affiliates may have at law or in equity, such parties shall be entitled, without the requirement of posting a bond or other security, to seek equitable relief including, without limitation, injunctive relief and specific performance.

3. GENERAL PROVISIONS

3.1 No Fiduciary Relationship. It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them; and that nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

3.2 Notice. All notices pursuant to this Agreement shall be in writing and delivered personally or by a reputable overnight delivery service, or deposited in the United States mail, service or postage prepaid. Until changed by written notice to the other party, notices to each party must be addressed as follows:

Notices to Company:

PIRTEK USA LLC
300 Gus Hipp Boulevard
Rockledge, Florida 32955
Attn: President

Notices to Recipient:	See Address below for each Recipient. Notice to any one Recipient shall be deemed notice to all Recipients.

3.3 Entire Agreement. This Agreement and the documents referred to herein constitute the entire Agreement between Company and Recipient concerning the subject matter hereof and supersede all prior agreements, negotiations, representations, and correspondence concerning the same subject matter.

3.4 Jurisdiction and Venue. It is hereby agreed that any and all claims, disputes or controversies whatsoever arising from or in connection with this Agreement shall be commenced, filed and litigated in the judicial district in which Rockledge, Florida is located, unless the conduct of such litigation is not within the subject matter jurisdiction of the court of such district. The parties waive all questions of personal jurisdiction, convenience of forum and venue for purposes of carrying out this provision.

3.5 Jury Trial Waiver.

COMPANY AND **RECIPIENT IRREVOCABLY WAIVE TRIAL BY JURY, REGARDLESS OF THE FORUM, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER IN CONNECTION WITH THIS AGREEMENT.**

3.6 Governing Law. In order to effect uniform interpretation of the Agreement, this Agreement and all disputes or controversies arising or related hereto shall be interpreted and construed under the laws of the State of Florida. In the event of any conflict of law question, the law of Florida shall prevail, without regard to the application of Florida conflict of law rules.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the date and year first above written.

"COMPANY"

PIRTEK USA LLC

By:_____
Name:_____
Title:_____

"RECIPIENT"

By:_____
Name:_____
Title:_____

Address_____
_____

"RECIPIENT"

By:_____
Name:_____
Title:_____
Address_____
_____

EXHIBIT 7

Form Franchise Renewal Addendum

RENEWAL ADDENDUM AND GENERAL RELEASE
(FORM ONLY; SUBJECT TO CHANGE)

This ADDENDUM is made and entered into by and among PIRTEK USA, LLC ("we," "us" or "PIRTEK"),_____, ("Franchisee") and _____ ("Guarantor") (Franchisee and Guarantor collectively referred to as "you" or "Franchisee Parties"). This Addendum is effective on the date we sign below (the "Effective Date").

INTRODUCTION

A. PIRTEK and Franchisee are parties to a PIRTEK® Franchise Agreement dated _____ (the "Original Agreement"), under which Franchisee was granted the right to operate a PIRTEK business located at_____ (the "Business"). The Original Agreement will expire on _____.

B. Franchisee desires to renew the franchise rights for the Business (the "Renewal") and, under the terms of the Original Agreement, has agreed to enter into PIRTEK's current form of franchise agreement (the "Current Franchise Agreement").

C. PIRTEK hereby agrees to the Renewal, subject to the following terms and conditions.

AGREEMENTS

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Signing of Current Franchise Agreement. As a condition of Franchisor's consent to the Renewal, Franchisee agrees to sign Franchisor's Current Franchise Agreement. Franchisee acknowledges that the terms and conditions of the Current Franchise Agreement may differ from the terms and conditions of the Original Agreement, including with respect to the payment of continuing license fees, marketing fees and other fees. Prior to the Effective Date, Franchisee must deliver to Franchisor two signed copies of the Current Franchise Agreement.

2. Termination of the Original Agreement. The Original Agreement and all rights and obligations thereunder are terminated, as of the Effective Date, with no further force and effect, except for the obligations set forth in this Agreement and Franchisee's indemnification obligations set forth in Section 10.B of the Original Agreement which are incorporated herein by reference. As of the Effective Date, the Current Franchise Agreement will be in effect as part of the Renewal.

3. Payment of Amounts Due to PIRTEK. On or before the Effective Date of this Agreement, Franchisee will pay all past due amounts and owing to PIRTEK (the "Past Due Amount"). As of the Effective Date, the Past Due Amount is $_____.

4. Payment of Renewal Fee. On or before the Effective Date, Franchisee must pay PIRTEK a renewal fee in the amount of $_____.

5. Representations and Acknowledgments.

A. Franchisee represents and warrants to PIRTEK that it has secured possession of the Business premises for the duration of the Renewal or will be able to secure possession of the Business premises.

B. Franchisee represents and warrants to PIRTEK that, within six months after the Effective Date, it will make such capital expenditures as necessary to refurbish, replace, and modernize the Business to conform to PIRTEK's current standards for Businesses generally. PIRTEK may complete a QVC report within 3 months of this agreement outlining what needs to be completed. Franchisee agrees to complete these requirements within the six-month time frame.

C. Franchisee agrees for the entirety of the new Franchise Agreement to correctly use PIRTEK's marks, uniforms and signage.

D. In the event this Addendum is signed as part of Franchisee's first renewal, Franchisee acknowledges and agrees that it has one remaining 10 year renewal term.

6. Consent to Renewal. PIRTEK consents to the Renewal in accordance with the terms and conditions of this Agreement.

7. Release and Settlement of Claims.

A. Franchisee Parties, and each of their respective heirs, successors, assigns, affiliates, shareholders, directors, employees, and agents, and on behalf of any other party claiming an interest through them (collectively and individually referred to as the "Franchisee Releasing Parties" for purposes of this Section 7), release and forever discharge us, our predecessors, successors, affiliates, directors, officers, shareholders, agents, employees and assigns (collectively and individually referred to as the "Franchisor Parties" for purposes of this Section 7) of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which Franchisee Releasing Parties may now or in the future own or hold, that in any way relate to the Original Agreement, any other agreement between Franchisee Parties and us, the Business, or the relationship between Franchisee Parties and us through the Effective Date (collectively, "Claims"), for known or unknown damages or other losses including, but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Original Agreement or any other related agreement between Franchisee Parties and us through and including the Effective Date of this Agreement.

Franchisee Releasing Parties and Franchisor Parties acknowledge and agree that the release of Claims in this Section 7.A does not relate to the offer and sale of the Current Franchise Agreement.

B. Except as otherwise noted herein, Franchisor Parties hereby release Franchisee Releasing Parties from any Claims through and including the Effective Date of this Agreement.

Franchisee Releasing Parties and Franchisor Parties acknowledge and agree that the release of Claims in this Section 7.B does not relate to the offer and sale of the Current Franchise Agreement. Further, the Franchisor Releasing Parties do not release the Franchisee Parties from any obligations arising out of this Agreement, including without limitation, Sections 3-5 above.

C. The releases of Claims set forth in Sections 7.A and 7.B are intended by the Franchisee Releasing Parties and Franchisor Parties (collectively, the "Releasors" for purposes of this Section 7.C) to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of one of the Releasors against the other Releasor regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Releasors acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Releasors' respective intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. The Releasors acknowledge that they have had adequate opportunity to gather all information necessary to enter into this Agreement and Release and need no further information or knowledge of any kind that would otherwise influence the decision to enter into this Agreement. This Release is and shall be and remain a full, complete, and unconditional general release. The Releasors acknowledge and agree that the foregoing waiver is an essential, integral and material term of this Agreement. The Releasors further acknowledge and agree that no violation of this Agreement shall void the releases set forth in this Section 7.

8. Representation by Counsel. The parties have had adequate opportunity to consult with legal counsel of their respective choice, including with respect to the release of Claims set forth herein.

9. Binding Effect. All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, heirs, successors and assigns.

10. Entire Agreement. This Agreement represents the entire agreement between the parties with respect to the subject matter hereof. No amendment will be binding unless in writing and signed by the party against whom enforcement is sought.

11. Governing Law/Venue. This Agreement will be construed and enforced in accordance with the laws of the State of Florida. The parties further agree that any legal proceeding relating

to this Agreement or the enforcement of any provision herein shall be brought or otherwise commenced pursuant to Section 13 of the Current Franchise Agreement.

12. Counterparts. This Agreement may be executed in more than one counterpart, each of which shall constitute an original copy.

The parties have signed this Release as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
PIRTEK USA, LLC	_____
By _____	By _____
	(Franchise Owner Name)
_____	
Its: _____	Its: _____
Effective Date: _____	Dated:_____
	_____, Individually
	Signed: _____
	Date: _____

EXHIBIT 8

SBA Addendum

ADDENDUM TO FRANCHISE[1] AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____ _____, 20___, by and between Pirtek USA LLC ("Franchisor"), located at 300 Gus Hipp Boulevard, Rockledge, Florida 32955, and _____ ("Franchisee"), located at ___ _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20___ (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for a loan ("Loan") from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining the SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

FORCED SALE OF ASSETS

- If the Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor may not record against the real estate any restrictions on the use of the

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

property, including any restrictive covenants, branding covenants or environmental use restrictions.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees.

This Addendum automatically terminates on the earlier to occur of the following: (i) the Loan is paid in full; or (ii) SBA no longer has any interest in the Loan.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor:	Franchisee:
By:_____	By:_____
Print Name:_____	Print Name:_____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.

EXHIBIT 9

Form Of General Release Agreement

RELEASE OF CLAIMS

(FORM ONLY; SUBJECT TO CHANGE)

For and in consideration of the agreements and covenants described below, Pirtek USA LLC ("Pirtek") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

A. Pirtek and Franchisee entered into a PIRTEK® Franchise Agreement dated_____ _____, _____.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, Pirtek and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration**. [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release of Claims by Pirtek**. Except as noted in this Section 4, and subject to your compliance with the terms and conditions of this Agreement, including the payment of $ _____ _____to Pirtek, Pirtek, for itself, its predecessors, successors, assigns, affiliates, directors, officers, shareholders, and employees (collectively and individually referred to as the "Franchisor Parties"), hereby release and forever discharge Franchisee, its heirs, successors and assigns, affiliates, directors, officers and shareholders, and any other party claiming an interest through them (collectively and individually referred to as the "Franchisee Parties") from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which you may now or in the future own or hold, that in any way relate to the Franchise Agreement (collectively, "Claims"), for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisor Parties do not release the Franchisee Parties from any obligations arising by virtue of this Agreement and the Franchisee Parties' failure to comply with those obligations. Further, the Franchisor Parties do not release the Franchisee Parties from any Claims related to Franchisee's (i) indemnification obligations under Section of the Franchise Agreement, (ii) non-disclosure obligations under Section of the Franchise Agreement, and (iii) post- termination non-compete obligations under Section of the Franchise Agreement, each of which remain in full force and effect and are incorporated by reference in this Agreement.

5. **Release of Claims by Franchisee**. In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, the Franchisee Parties release and forever discharge the Franchisor Parties of and from any and all Claims, for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisee Parties do not release the Franchisor Parties from any obligations arising by virtue of this Agreement and the Franchisor Parties' failure to comply with those obligations.

6. **Acknowledgement**. The releases of Claims set forth in Section 4 and Section 5 are intended by the Franchisor Parties and the Franchisee Parties (collectively, the "Parties) to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the one of the Parties against the other Party regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Parties' respective intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. The Parties further acknowledge and agree that no violation of this Agreement shall void the releases set forth in this Agreement.

7. **Reservation of Claims Against Non-Settling Parties**. Pirtek and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

8. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

9. Voluntary Nature of Agreement. The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

10. **Governing Law and Jurisdiction**. This Agreement will be construed and enforced in accordance with the law of the state of _____.

11. **Attorneys' Fees**. All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement,

the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated:_____, 20___ PIRTEK USA LLC

By _____

Its _____

Dated:_____, 20___ FRANCHISEE: _____

By_____

EXHIBIT 10

Form of Assignment and Consent Agreement

FORM ASSIGNMENT AND CONSENT AGREEMENT

(FORM ONLY; SUBJECT TO CHANGE)

THIS AGREEMENT is made and entered into by and among [**FRANCHISEE NAME**] ("Franchisee"), [**Name**] ("Franchisee's Principal Owner") (Franchisee and Franchisee Principal Owner collectively referred to as "Assignor"), [**ASSIGNEE NAME**] ("New Franchisee") and [**Name**] ("Assignee's Principal Owner") (New Franchisee and Assignee's Principal Owner collectively referred to as "Assignee"), and PIRTEK USA LLC, a Florida limited liability company with its principal place of business at 300 Gus Hipp Boulevard, Rockledge, Florida 32955 ("Franchisor"). All capitalized terms not defined in this Agreement have the respective meanings set forth in the Old Franchise Agreement (as defined below). The effective date of this Agreement is the date Franchisor signs below (the "Effective Date").

RECITALS

A. Franchisor and Assignor are parties to a PIRTEK® Franchise Agreement dated [**Date**] (the "Old Franchise Agreement"), pursuant to which Assignor was granted the right to operate a PIRTEK Business located at [**Address**] for the Territory known as [_____ _____] (the "Franchised Business").

B. Assignor desires to assign to Assignee all right, title and interest in the Franchised Business, including the franchise rights for the Franchised Business as part of an asset purchase transaction (the "Assignment"); Assignee wishes to accept the Assignment and, as of the Closing Date defined below, assume all of the duties, obligations, and liabilities of Assignor related thereto as part of the closing of the transaction described below in Section 1 (the "Closing").

C. Assignor represents that there is no dispute related to the offer and sale of the Old Franchise Agreement or Franchised Business, and further represents that Assignor has no claims against Franchisor.

D. In consideration of Assignor's request for the Assignment and representations set forth in Recital C, Franchisor is willing to consent to the Assignment as of the Closing Date, subject to the provisions stated below, and Assignor agrees to settle all known and unknown disputes it may have against Franchisor, if any, that exist as of the Effective Date.

AGREEMENTS

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption. As of the effective date of Closing (the "Closing Date"), Assignor assigns to Assignee all right, title and interest in and to the Franchised Business, including the franchise rights for the Franchised Business. Assignee unconditionally assumes and accepts the Assignment of the Franchised Business, including the franchise rights for the Franchised Business, and agrees to be bound by all duties, obligations, and liabilities of the Assignor related thereto [**NOTE: Add/Modify as applicable: subject to any permitted**

limitation on and disclaimer of Assignee's assumption of the obligations and liabilities of the Franchised Business as set forth in the Asset Purchase Agreement made and entered into between Assignor and Assignee dated , 20]. All parties agree that a condition of Closing and Franchisor's consent to the Assignment is the satisfaction of all transfer conditions stated in Section 14.C of the Old Franchise Agreement, including without limitation the following: [**NOTE: include any closing transfer conditions required by Franchisor**] _____ _____, in addition to the conditions noted below in Sections 6-8 of this Agreement. All transfer conditions must be met to Franchisor's satisfaction.

2. Signing Current Form of Franchise Agreement. As a condition of Franchisor's consent to the Assignment, Assignee agrees to sign Franchisor's then-current form of franchise agreement (the "New Franchise Agreement"). Assignee acknowledges that the terms and conditions of the New Franchise Agreement may be different from the terms and conditions of the Old Franchise Agreement. As part of the Closing, Assignee shall deliver to Franchisor two signed copies of the New Franchise Agreement, along with the two signed copies of this Agreement.

3. Termination of Old Franchise Agreement. All parties agree that the Old Franchise Agreement is terminated as of the Closing Date with no further force and effect, except for the post- termination obligations identified in Section 12 below.

4. Status of Assignor Following Assignment. Upon and after the Closing Date and subject to Section 12 below, Assignor will have no interest in (a) the Franchised Business, (b) the franchise rights for the Franchised Business, or (c) the Old Franchise Agreement. Accordingly, as of the Closing Date, Franchisor acknowledges and agrees that Assignor will not be responsible or liable for Assignees's actions under, through or in any way related to the New Franchise Agreement. Assignor, however, will remain liable for any responsibilities, obligations, and liabilities related to the Old Franchise Agreement up through the Closing Date, including all monetary obligations due to Franchisor, its affiliates, and other third parties under the Old Franchise Agreement that have accrued as of the Closing Date and all post-termination obligations identified in Section 12 below.

5. Assignee Principals. If Assignee is an entity, Assignee represents and warrants to Franchisor and Assignor that the following individuals and/or entities are the sole owners of Assignee (the "Assignee Principals") with the identified individual below serving as the Principal Owner as set forth in the New Franchise Agreement with an ownership interest in the New Franchisee of at least 51%:

Owners	**Percentage of Ownership in Assignee (total must equal 100%)**
[**Principal Owners Name**]	_____%
[Name]	0%
[Name]	0%
Total	**100%**

Assignee further represents and warrants that all information it has provided to Franchisor regarding Assignee and Assignee Principals is true, accurate and not misleading and understands that Franchisor will by relying upon such information.

6. Payment of Transfer Fee. On or before the Effective Date, Franchisor must receive a transfer fee in the amount of $_____.

7. Training. Within ____days after the Effective Date, Assignee must complete Franchisor's training program as described in the New Franchise Agreement.

8. Payment of Fees Owed to Franchisor. As of the Closing Date, all fees owed by Assignor to Franchisor under or related to the Old Franchise Agreement (the "Fees Owed") must be paid in full by Assignor.

9. Personal Guarantee. Assignee's Principal Owner, and as applicable, each Assignee Principal must execute a personal guarantee in the form attached to the New Franchise Agreement.

10. Representations.

A. Assignor and Assignee represent and warrant that they have the authority to execute this Agreement.

B. Assignor represents and warrants to Franchisor and Assignee that it owns all right, title and interest in and to the Franchised Business and the Old Franchise Agreement, free and clear of any mortgage, lien or claims, and has not assigned any or all of its interest in the Franchised Business or the Old Franchise Agreement to any third party.

C. Assignor and Assignee represent and warrant to Franchisor that they have closed on the asset purchase transaction as of the Closing Date.

11. Indemnification.

A. Assignor, for itself, its heirs, officers, directors, successors and assigns, agrees to indemnify and hold harmless Franchisor and Assignee and their respective affiliates, successors, assigns, officers, directors, employees, agents, and each of them, against any and all liabilities, damages, actions, claims, costs (including reasonable attorneys' fees), or expenses of any nature resulting, directly or indirectly, from any of the following: (i) any misrepresentations or breach by Assignor under this Agreement and/or the Assignment; or (ii) any claim, suit or proceeding initiated by or for a third party(s), now or in the future, that arises out of or relates to the Old Franchise Agreement or the Franchised Business operated by Assignor prior to the Closing Date.

B. Assignee, for itself, its heirs, officers, directors, successors and assigns, agrees to indemnify and hold harmless Franchisor, its affiliates, successors, assigns, officers, directors, employees, agents, and each of them, against any and all liabilities, damages, actions, claims, costs (including reasonable attorneys' fees) or expenses of any nature

resulting, directly or indirectly, from any misrepresentations or breach by Assignee under this Agreement or the Assignment.

12. Assignor's Post-Termination Obligations. Assignor agrees that, upon transfer of its interest in the Franchised Business to Assignee, Assignor will comply with all post- termination obligations set forth in Section 12 of the Old Franchise Agreement and the indemnification obligations set forth in Section 10.B of the Old Franchise Agreement, which obligations shall be incorporated herein by reference. Further, Assignor shall comply with any other provisions of the Old Franchise Agreement which, by their nature, survive termination or expiration of the Old Franchise Agreement.

13. Consent to Assignment. Franchisor consents to the Assignment in accordance with the terms and conditions of this Agreement. Franchisor's consent to the Assignment will not result in any waiver of any rights or as a release under the Old Franchise Agreement or New Franchise Agreement, and is not a consent to any additional or subsequent transfers or assignments.

14. Release and Settlement of Claims.

A. Except as may be prohibited by applicable law, Assignor (including Franchisee and Franchisee's Principal Owner [**NOTE: modify as needed to cover any minority owners depending on Assignor's ownership structure**] (individually and as owner of Franchisee) and each of their respective heirs, successors, assigns, affiliates, shareholders, directors, employees, and agents, and on behalf of any other party claiming an interest through them (collectively and individually referred to as the "Assignor Parties" for purposes of Sections 14 and 15), release and forever discharge Franchisor and its predecessors, successors, affiliates, directors, officers, shareholders, agents, employees and assigns (collectively and individually referred to as the "Franchisor Parties" for purposes of Sections 14 and 15) of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, that in any way relate to the Old Franchise Agreement, any other franchise or other agreement between Assignor Parties and Franchisor Parties, the Franchised Business, the offer or sale of the franchise for the Franchised Business or the relationship between Assignor Parties and Franchisor Parties through and including the Effective Date (collectively, "Claims" for purposes of Sections 14 and 15), which Assignor Parties may now or in the future own or hold, for known or unknown damages or other losses including, but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Old Franchise Agreement, the Assignment or any other agreement between Assignor Parties and Franchisor Parties through and including the Effective Date or any Claims related to any dealings or agreements by or between Assignee Parties and Assignor Parties related to the Assignment.

B. Except as may be prohibited by applicable law, Assignee (including Assignee's Principal Owner) [**NOTE: modify as needed to cover any minority owners depending on Assignee's ownership structure**] (individually and as Principal Owner of Assignee) and each of their respective heirs, successors, assigns, affiliates, shareholders, directors,

employees, and agents, and on behalf of any other party claiming an interest through them (collectively and individually referred to as the "Assignee Parties" for purposes of Sections 14 and 15), release and forever discharge Franchisor Parties from any Claims related to any dealings or agreements by or between Assignee Parties and Assignor Parties related to the Assignment, although this release does not include any release of claims related to Franchisor's obligations to comply with the applicable laws regarding the offer or sale of franchises for the New Franchise Agreement.

C. Except as noted in this Agreement, the Franchisor Parties hereby release the Assignor Parties from any Claims, which Franchisor Parties may now or in the future own or hold, for known or unknown damages or other losses including, but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Old Franchise Agreement or any other agreement between Assignor Parties and Franchisor Parties through and including the Effective Date, subject to Assignor's compliance with the terms and conditions of this Agreement. The Franchisor Parties do not release the Assignor Parties from any obligations under Sections 10.B and 12 of the Old Franchise Agreement or any other provisions which, by their nature, survive termination or expiration of the Old Franchise Agreement. Further, the Franchisor Parties do not release the Assignor Parties from any obligations arising by virtue of this Agreement and Claims arising from the Assignor Parties' failure to comply with those obligations, including, without limitation, the obligations under Sections 11 and 12 of this Agreement.

15. Acknowledgement of Releasors. The release of Assignor Parties Claims set forth in Section 14.A, Assignee Parties Claims in Section 14.B, and Franchisor Parties Claims in Section 14.C are effective as of the Effective Date and are intended by the Assignor Parties, Franchisor Parties, and Assignee Parties (collectively, the "Releasors") to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of one of the Releasors against any other Releasor, regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Releasors acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Releasors' intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. The Releasors acknowledge and agree that the foregoing waiver is an essential, integral and material term of this Release. The Releasors further acknowledge and agree that no violation of this Agreement shall void the releases set forth in Sections 14 or 15.

16. Confidentiality. Assignor Parties and Assignee Parties acknowledge and agree that this Agreement and matters discussed in relation thereto are entirely confidential. It is therefore understood and agreed by Assignor and Assignee that they will not reveal, discuss, publish or in any way communicate any of the terms of this Agreement to any person, organization or other entity, except to their respective officers, employees or professional representatives, or as required by law.

17. Miscellaneous. This Agreement, and the documents referred to herein, constitute the entire agreement among the parties with respect to the subject matter hereof. No amendment will be binding unless in writing and signed by the party against whom enforcement is sought. All representations, warranties, agreements and all other provisions of this Agreement which by their terms or by reasonable implication are intended to survive the closing of this transaction will survive it.

18. Representation by Counsel. The parties have had adequate opportunity to consult with an attorney of their respective choice, including with respect to the release of claims set forth herein.

19. Governing Law/Venue. This Agreement will be construed and enforced in accordance with the laws of the State of Florida, without regard to principles of conflicts of law. The parties further agree that any legal proceeding relating to this Agreement or the enforcement of any provision herein shall be brought or otherwise commenced only in the State or Federal courts of Florida. [**NOTE: Modify to make sure this is consistent with the Old/New Franchise Agreements**.]

20. Counterparts. This Agreement may be executed in more than one counterpart, each of which shall constitute an original copy.

ASSIGNOR:

[ASSIGNOR NAME]

By:_____ **[Name]**
Its:_____ Date:_____

ASSIGNOR'S PRINCIPAL OWNER:

Signed:_____ [**Name**], individually
and on behalf of Assignor
Date:_____

ASSIGNEE:

[ASSIGNEE NAME]

By:_____[**Name**]
Its:_____ Date:_____

ASSIGNEE'S PRINCIPAL OWNER:

Signed:_____ [**Name**], individually
and on behalf of Assignor

Date:_____

FRANCHISOR:

PIRTEK USA LLC

By:_____[**Name**]
Its:_____Date:_____

Effective Date:, 20

EXHIBIT 11

Operations Manual Table of Contents

1. INTRODUCTION TO THE MANUAL

1.1 Manual Organization

This manual is organized into 12 main sections :

Section 1:	Introduction to the Manual	1
Section 2:	Introduction to the Franchise System	5
Section 3:	Understanding Franchising	17
Section 4:	Startup Process	24
Section 5:	Human Resources	25
Section 6:	General Operating Procedures	55
Section 7:	Mobile Operating Procedures	73
Section 8:	Sales	81
Section 9:	Customer Experience	118
Section 10:	Finance and Accounting	123
Section 11:	Marketing	127
Section 12:	Additional Resources	161

You should read the entire manual at least once. Then when you refer back to the manual, the detailed table of contents will help you find the section relevant to what you are looking for.

EXHIBIT 12

State Effective Dates

STATE EFFECTIVE DATES

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

This 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:	Pending
Hawaii:	Pending
Illinois:	Pending
Indiana:	Pending
Michigan:	Pending
Maryland:	Pending
Minnesota:	Pending
New York:	Pending
North Dakota:	Pending
Rhode Island:	Pending
Virginia:	Pending
Wisconsin:	Pending

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

Exhibit 13

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.

Except as noted below, if Pirtek USA LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

New York law requires that Pirtek USA LLC give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Iowa and Michigan require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Pirtek USA LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit 1.

The name, principal business address and telephone number of each franchise seller offering the franchise is Nick Ridgway, Director of Franchise Development, Blake Laney, Franchise Development Manager, and Kimberly Tauch, Franchise Recruiter, Pirtek USA LLC, 300 Gus Hipp Boulevard, Rockledge, Florida 32955; telephone (321) 701-3330; and _____ _____.

Issuance Date: March 30, 2023

See Exhibit 1 for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated March 30, 2023 (see state effective dates on state cover page) that included the following Exhibits:

1. List of State Administrators and Agent for Service of Process
2. Development Agreement
3. Franchise Agreement with Acknowledgment Addendum, State Specific Addenda to Franchise Agreement and Appendices A (Franchised Location, Territory), B (Ownership and Management Addendum), C (Marks), D (Addendum to Lease), E (Computer Software License Agreement), F (Draft Authorization), G (Assignment of Telephone Numbers), and H (Assignment of Domain Names and E-Mail Address)
4. Audited Financial Statements
5. Franchisee and Franchisee Termination Lists
6. Form Confidentiality Agreement
7. Form Franchise Renewal Addendum
8. Form SBA Addendum
9. Form of General Release
10. Form Assignment and Consent Agreement

11. Operations Manual Table of Contents
12. State Effective Dates
13. Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

KEEP THIS COPY FOR YOUR RECORDS.

Prospective Franchisee's Copy

RECEIPT

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9. Form of General Release
10. Form Assignment and Consent Agreement

11. Operations Manual Table of Contents
12. State Effective Dates
13. Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to us by: 1) mailing it to Nick Ridgway at Pirtek USA, LLC, 300 Gus Hipp Boulevard, Rockledge, FL 32955, 2) faxing a copy to Nick Ridgway at (321) 701-3322, or 3) emailing it to nridgway@pirtekusa.com.

Franchisor's Copy