RECEIVED
DOCUMENT NO ___
2017 APR 24 AM 10: 21
DEPARTMENT OF
BUSINESS OVERSIGHT
SAN FRANCISCO

PLUMBING DOCTOR®

FRANCHISE DISCLOSURE STATEMENT

INFORMATION FOR PROSPECTIVE FRANCHISEES

REQUIRED BY FEDERAL TRADE COMMISSION

* * * * * * * * * * * *

TO PROTECT YOU, WE HAVE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION WE HAVE NOT CHECKED IT AND DO NOT KNOW IF IT IS CORRECT IT SHOULD HELP YOU MAKE UP YOUR MIND STUDY IT CAREFULLY WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DO NOT RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT READ ALL OF YOUR CONTRACT CAREFULLY BUYING A FRANCHISE IS A COMPLICATED INVESTMENT TAKE YOUR TIME TO DECIDE IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT IT MAY BE AGAINST THE LAW

THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE ASK YOUR STATE AGENCIES ABOUT THEM

FEDERAL TRADE COMMISSION,
WASHINGTON, D C

STATE COVER PAGE

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

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

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE

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

3 YOU MAY LOSE YOUR EXCLUSIVE TERRITORY IF YOU DO NOT MEET YOUR MINIMUM SALES REQUIREMENTS

4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date _____

Fast Aid Success Systems
FRANCHISOR
FRANCHISE DISCLOSURE DOCUMENT

Fast Aid Success Systems
955 Business Park Drive
Dixon, CA 95620
(707) 678-3659

PLUMBING DOCTOR®

As a franchisee you will offer plumbing service and repair and sewer and drain cleaning services

Currently, the initial standard franchise fee is $20,000 These fees assume a territory of standard size A standard size territory is any territory with a population of up to 150,000 people For territories in which the population exceeds 150,000 people, the fee is increased by $100 per additional 2000 people

The total investment necessary to begin operation of a Plumbing Doctor franchise is $24,500 to $59,300 This includes $20,000 that must be paid to the franchisor, Fast Aid Success Systems

As of September 2012, Fast Aid Success Systems, selling the Plumbing Doctor franchise system, is a member of the International Franchise Association and participates in IFA's VetFran Program, which provides special financial incentives to qualified veterans We offer a discount of 25% off the franchise fee to qualified veterans who were honorably discharged This discount is subject to change

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English Read this disclosure document and all accompanying agreements carefully You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale **NOTE, HOWEVER, THAT NO GOVERNMENTAL AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

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

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

visit your public library for other sources of information on franchising

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

This Disclosure Document is revised June 1, 2017 Its effective date is _____, 2017

TABLE OF CONTENTS

ITEM		PAGE
1	THE FRANCHISOR AND ANY PARENTS AND AFFILIATES	1
2	BUSINESS EXPERIENCE	2
3	LITIGATION	3
4	BANKRUPTCY	3
5	INITIAL FEES	3
6	OTHER FEES	3
7	ESTIMATED INITIAL INVESTMENT	5
8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	8
9	FRANCHISEE'S OBLIGATIONS	9
10	FINANCING	11
11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	12
12	TERRITORY	17
13	TRADEMARKS	18
14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	24
15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	24
16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	24
17	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	25
18	PUBLIC FIGURES	28
19	FINANCIAL PERFORMANCE REPRESENTATIONS	28

20	OUTLETS AND FRANCHISEE INFORMATION	29
21	FINANCIAL STATEMENTS	32
22	CONTRACTS	32
23	RECEIPT	33

EXHIBITS

A	FRANCHISE AGREEMENT
B	FRANCHISE APPLICATION
C	FRANCHISOR'S FINANCIAL STATEMENTS
	Exhibit C-1 Audited Financial Statements for the year ended December 31, 2016
	Exhibit C-2 Audited Financial Statements for the year ended December 31, 2015
	Exhibit C-3 Audited Financial Statements for the year ended December 31, 2014
D	CONTINUING GUARANTEE
E	STATE ADMINISTRATORS & INFORMATION
F	AGENTS FOR SERVICE OF PROCESS
G	PROMISORY NOTE
H	POWER OF ATTORNEY
I	CURRENT AND FORMER FRANCHISEES

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

To simplify the language in this Disclosure Document, "we" or "us" or "Fast Aid Success Systems" means Fast Aid Success Systems, the Franchisor "You" means the person who, or company which, buys the franchise, including such company's owners, partners, controlling shareholders, and guarantors, if any We are a California corporation, incorporated January 25, 1995 Our principal business address is 955 Business Park Drive, Dixon, CA 95620

Since our early 1995 incorporation and registration to sell franchises, our sole business was selling Plumbing Doctor franchises and providing training and other services to Plumbing Doctor franchisees Beginning in 2011 we also started offering products and training to the plumbing service industry Neither we nor any predecessor has sold franchises of any kind before We are doing and intend to do business under the names Fast Aid Success Systems, Plumbing M D and Plumbing Doctor We operate no businesses of the type being franchised, although our predecessor does and will

Our sole predecessor is Michael Farias Mr Farias owned and operated a plumbing business in Grass Valley, California, from May 1984 to September 1987, under the name Plumbing Doctor He owns and still operates a second plumbing business, originally based at 109 Third Street, Winters, CA, which he opened September 1992, and which utilizes the trade dress and service marks to be licensed to Franchisee Mr Farias relocated in 1997 to 752 L Street, Davis, CA 95616 and subsequently relocated to 1321 East 8th Street, Davis, CA 95616 in 1999 He currently operates his business from Dixon, CA under the franchise, subject to concessions as to initial franchise fees and service fees We have no affiliated companies to disclose

Attached as Exhibit F is a list of Agents for Service of Process

As a Plumbing Doctor franchisee, you will own and operate a local plumbing business using our systems, trade dress and service marks As a franchisee you will typically make calls on private residences and commercial establishments to provide all types of plumbing and plumbing repair services, sewer and drain cleaning services, operating from a specially equipped van or truck You must personally operate the business, unless you have a designated Business Manager who has successfully completed Plumbing Doctor training (Franchise Agreement, paragraph 6 1) You must be honest and competent You must offer emergency service and meet our standards for timely communication and response

You must abide by the laws and regulations specific to the plumbing industry Note should be taken of contractor state licensing laws, the uniform plumbing code, and building regulations, as well as general employment and business law and regulations California licensing requirements are available online at www cslb ca gov, and summarized as follows you must be 18 years of age or older, and have the necessary skills and experience, or be represented by someone with the necessary skills and experience, you, or the person who will act as the qualifying individual, must have had, within the ten years immediately before the filing of an application, at least four full years of experience at a journey level, or as a foreman, supervisor, or contractor in the classification for which he or she is applying Plumbing licensing laws may vary by state, county and municipality You may need other specific types of licenses required by the jurisdiction in which you will operate Some states, counties or municipalities may require that your business be owned by a plumbing contractor, a master plumber, or journeyman

plumber Check with your local plumbing licensing board, as well as with a lawyer, to learn about specific laws applicable to your area

The general market for plumbing installation and repair services is well developed You will sell goods and services to households and to businesses in the locality of your franchise territory Plumbing Doctor franchisees will compete for customers with local plumbing contractors, some of whom are franchised, most of whom are not

ITEM 2 BUSINESS EXPERIENCE

Our executive officers and directors with management responsibility and their principal occupations during the past five (5) years are as follows

President and Chairman	**Michael Farias** is the President & Chairman of the Board of Fast Aid Success Systems, in Dixon, California, since the corporation's inception He was President and CEO of Plumbing M D Inc from 2004 - 2015, also in Dixon, California As of 2015 he transitioned from President to Chairman of the Board of Plumbing M D Inc
Chief Financial Officer	**Justin D. Farias** is Chief Financial Officer of Fast Aid Success Systems, in Dixon, California, a position he has held since joining the corporation in 2004 Since May 2004, Mr Farias has been the Chief Financial Officer of Plumbing M D Inc , also in Dixon, California In 2015 he became co-CEO of Plumbing M D Inc
Officer and Secretary	**Taylor Farias** is Chief Operations Officer and Secretary of Fast Aid Success Systems, in Dixon, California, and has been since 2004 Since 1993 he has been employed by Plumbing Doctor and Plumbing M D Inc , also in Dixon, California, where he also serves as Chief Operations Officer In 2015 he became co-CEO of Plumbing M D Inc

We do not use franchise brokers

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Disclosure Document

ITEM 4 BANKRUPTCY

There are no bankruptcies required to be disclosed in this disclosure document

ITEM 5 INITIAL FEES

A Initial Fee For a territory of standard size, your initial franchise fee is $20,000 For territories in which the population exceeds 150,000 people, the fee is increased by $100 for each additional 2000 people

B Refund or Adjustment If we terminate your Franchise Agreement at any time before you begin training, we will refund all amounts received Otherwise, if after you sign a Franchise Agreement you refuse or are unable to perform, we can retain all fees

C Concessions We may company-operate one or more franchise territories as research and training facilities and at some point transfer the territory to a separate but affiliated company to operate under a Franchise Agreement Such an affiliated company, in this circumstance, will pay no initial franchise fee nor transfer fee upon acquisition nor will it pay continuing royalties, unless it otherwise agrees, but it shall contribute equitably to any advertising fee program which benefits it, should there be one to which other franchisees are required to contribute

ITEM 6 OTHER FEES

Name of fee	**Amount**	**Due Date**	**Remarks**
Royalty[1]	5% of gross sales, with a minimum of $125 per week	Payable weekly by Wednesday immediately following the week for which you are paying	Gross Sales includes all business revenue except sales and use taxes, properly documented refunds, etc
Advertising fee[1]	None presently If imposed it will not exceed 2% of Total Gross Sales	Same as Royalty fee	If such a fee is instituted, we will decide when and where to spend the funds for advertising, marketing, and related purposes
Renewal fee[1]	Not to exceed $1,000 in 2006 dollars	During 10th year of initial and, if any, 2nd term	You have rights to 2 new 10 year terms on then current terms if in good standing but you are not obliged to renew Rights also and thereafter per California law
Additional training and assistance[1]	Trainer's Per Diem rate, which is $1000 and is subject to increases in the Consumer Price Index pertaining to	Within 30 days after invoice	Training is free as follows to 1 person, first 30 hours pre-opening Tuition free seminars also may be offered You pay expenses (e g lodging, travel, food) for self and your employees

	our headquarters location		
Transfer application fee[1]	$500 Subject to upward adjustment according to the Consumer Price Index	With each transfer application	Applies toward the transfer fee if applicant is approved and transfer occurs, otherwise, we keep it to cover our expenses
Transfer fee[1]	$5000, which is subject to upward adjustment according to the Consumer Price Index	Prior to transfer of the franchise	No charge if control does not shift or if transfer is to a corporation you control and co-guarantee or to your spouse or adult child or to a named beneficiary upon your death
Audit fee[1]	The cost of audit	Within 10 days after we discover 3% underpayment in a gross sales report	You also must pay the underpayment, if any We pay for the audit if no 3% underpayment is discovered
Late payment fee[1]	Highest lawful interest rate, not to exceed 18%[2]	With payment asap, no later than next regular payment due date	Avoided if you pay on time
Hold harmless[1]	If any, will depend on unknown factors	Defense costs when suit occurs Indemnification when or before we pay out	You agree to defend, indemnify and hold us harmless should we get sued as a result of something you do or fail to do This is an insurance issue, mostly, but could result in you having to pay us
Cost reim-bursement[1]	Depends on costs and expenses we incur, plus interest thereon	Immediately once incurred	Duty to make such payment to us arises only if you fail to perform a contractual duty (e g to maintain insurance or provide reasonable customer satisfaction (Franchise Agreement, paragraph 12 7)) and we elect to do it for you
	Depends on what we reas-onably expend	When court or arbitrator orders	Attorney's fees and costs go to the prevailing party and are paid by the one judged non-prevailing This is thought to

Attorney's fees and costs[1]	litigating or arbitrating with you Also, we must win		deter meritless litigation We could have to pay you too, if we lose

[1] All fees are imposed by and payable to Franchisor All fees are non-refundable
[2] The maximum interest rate in California is 10% annually

ITEM 7 ESTIMATED INITIAL INVESTMENT

It is impossible to provide an estimate of your initial investment that will be accurate for all franchisees Your initial costs will depend upon many factors, including whether or not you convert an existing business, the size of your territory, how quickly you are able to achieve cash flow, the timing of your opening relative to yellow pages publication dates, other periodic advertising opportunities, whether you must purchase a vehicle, the age and condition of the vehicle you purchase, the extent to which you do your work or hire it, whether you own adequate tools, what caliber equipment you buy, what payroll you decide to incur, local labor factors, local advertising costs, and other factors, etc

With this caution, the following tables of estimates should assist you to estimate your initial investment If your territory is of larger than standard size (i e Population exceeding 150,000) you must consult the footnotes with particular care

INITIAL (for 3 months) INVESTMENT
TO OPEN A PLUMBING DOCTOR BUSINESS
IN A STANDARD TERRITORY (150,000 OR SMALLER POPULATION)

TYPE OF EXPENSE	AMOUNT-LOW	AMOUNT-HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Franchise Fee[1]	$20,000	$20,000	Lump Sum	Upon signing agreement	Franchisor (us)
Van[2]	$0	$10,000	Lump sum or payments	Prior to opening	Supplier
Trade Dress vehicle	$1,000	$1,500	Lump sum	Prior to opening	Supplier
Tools[3]	$0	$5000	Lump sum or progress payments	Prior to opening	Supplier
Computer and Other Hardware[4]	$0	$2500	Lump sum or progress payments	Prior to opening	Supplier
Computer Software	$0	$1,000	Lump sum	Prior to opening	Supplier
Office Supplies	$500	$800	Lump sum or progress payments	Prior to opening	Supplier
Plumbing Supplies[5]	$0	$4000	Lump sum or progress payments	Prior to opening	Supplier
Insurance, Licenses, Permits, Utility Deposits[6]	$500	$2500	As needed	Prior to opening	Supplier, gov't utilities
Initial Advertising Expenses[7]	$2500	$6000	Several lump sums or monthly	Prior to opening & during 3 months after	Supplier
Office Furniture/ Furnishings	$0	$1000	Lump sum or lease	Prior to opening or progress payment	Supplier

TYPE OF EXPENSE	AMOUNT-LOW	AMOUNT-HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Landlord Deposits[8]	$0	$500	Lump sum	On signing lease	Landlord
Three Months' Rent[9]	$0	$1500	Progress payments	On signing lease & monthly	Landlord
Additional Funds[10]	$0	$3000	As needed	Prior to opening & during next 3 months	Suppliers, employees, ads, etc
Total[11]	$24,500	$59,300+			

[1] The base fee is $20,000 In addition, the fee is increased by $100 for every 2000 people in excess of 150,000 in the territory

[2] The low range figure assumes you already own a suitable vehicle, the high range figure assumes you will purchase a used ambulance or van A new vehicle would cost substantially more

[3] No purchase necessary if you own all necessary tools Obviously more can be spent, but $5000 will provide a nice supply for one plumber/vehicle

[4] You must own a computer and printer This estimate also includes other necessary hardware such as fax machine, copier, phone, cell phone, and pager Low estimate assumes prior ownership High estimate buys more quality than required

[5] The low estimate assumes ownership in prior business

[6] This item will vary depending on whether liability insurance is paid annually, quarterly or monthly Contractor's license fees may or may not come due during the period in question License and permit fees will vary with the city, county, and state

[7] This is for the period preceding plus three months after opening It will vary depending on yellow page rates and your taste for advertising This amount includes $1000 for pre-opening marketing, which is outlined in Item 11 below

[8] Many franchisees will be able to operate from their homes Rental space, if desired, need not be large or costly

[9] See note 8 above

[10] During the first three months, we assume that you do not require any income from the business If you convert an existing business you should have cash flow from the beginning and require relatively little working capital Figures given for the low range for expenditures assume that Franchisee owns an existing business employing some or all of the assets required to operate the Franchised Business The timing of your opening relative to yellow page listing and publication dates can also be a factor

[11] Larger territories, especially those with populations in excess of 150,000, may cost more due not only to the increased franchise fee but also to increased costs in many other areas, particularly

if employees and additional vehicles are contemplated Also see note 10 above concerning working capital

THERE ARE NO OTHER DIRECT OR INDIRECT PAYMENTS IN CONJUNCTION WITH THE PURCHASE OF THE FRANCHISE

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase computer software designated or as specified by our performance and compatibility standards You must trade dress all service vehicles as specified by us, which generally will involve purchasing services and goods in accordance with our appearance and other trademark and trade dress standards as set forth in the Operations Manual You must purchase, if you do not already own, plumbing tools and supplies and communications equipment and services which enable you to meet our performance standards as set forth in the Operations Manual You must also maintain and repair any equipment and vehicles that are used in the Franchised Business to keep them within the standards set forth in the Operations Manual We do not designate a source from which you must purchase anything

We issue and modify purchase specifications by publication in an amendment of our Operations Manual In so doing, we use our own best informed judgment concerning your business needs and the products and services available You are invited to let us know any times you believe the specifications in place are inappropriate

You are not currently required to purchase or lease any products from us At this time neither we nor any affiliate in any way derives revenue or material consideration from any products or services you are required to purchase, except, as disclosed at items 5 and 6 above, for fees charged for certain training services we provide If, in the future, we or an affiliate should acquire and resell vehicles or equipment subject to specification requirements, it would realize revenue thereby But you will be under no obligation whatever to purchase any such items from us and always will have a choice of alternative suppliers Presently there are no purchasing or distribution cooperatives

If there are no specifications or standards addressing the particular services, product or materials you wish to offer or use, you must nevertheless ensure that all services, products and materials sold or used in the Franchised Business are of a high quality and consistent with our image We may in our sole discretion require you to discontinue offering or using any services, products or materials that in our opinion are inconsistent with the foregoing requirement

We may, and any of our affiliates may receive payments, rebates or other consideration from approved suppliers We reserve the right to be compensated by any supplier for creating or maintaining a relationship or arrangement with approved or recommended suppliers in the future These fees may be used by us to defray overhead costs and for advertising at our sole discretion These fees may or may not be credited to you for any fees owed to us at our sole discretion You are not required to purchase from suppliers that give rebates or promotional fees to us However, it may be beneficial for you and other Franchisees to purchase from this type of vendor We do

not provide renewals, grant additional franchises or bestow any other material benefits to our Franchisees based on a Franchisee's use of a designated or approved source of supply

If Plumbing M D Inc or anyone we authorize develops private-label or exclusive merchandise, whether or not under the Marks, you must carry it and keep a representative selection of the products at all times, as specified in Item 16 below

You must buy before opening and maintain at minimum the following insurance coverage Worker's compensation and employer's liability insurance as prescribed by state law, and public liability insurance to protect against injury to property or person caused in the operation of the Franchised Business in the minimum aggregate amount of $1,000,000, and motor vehicle liability insurance covering each and every vehicle operated by or on behalf of the Franchised Business in the minimum amount of $1,000,000, and business interruption insurance

We may increase the minimum coverage requirement if necessary to reflect inflation or other changes in circumstances Each insurance policy that is required under the Franchise Agreement must contain a provision that the policy cannot be canceled without 30 days' written notice to us It must be issued by an insurance company of recognized responsibility and having at least an "A" Rating Classification as indicated in Best's Key Rating Guide, designate us as an additional name insured and be satisfactory to us in form, substance and coverage You must deliver a certificate of the issuing insurance company evidencing each policy to us within 30 days after the policy is issued or renewed

We estimate that the cost of all required purchases and leases (i e , those which must be from our approved and designated sources or in accordance with our specifications) necessary to establish a Franchised Business is approximately 40% of the total cost for new development Franchisees, and approximately 85% of the total cost for conversion Franchisees Additionally, required purchases and leases are not a substantial percentage of the total cost of operating the ongoing Franchised Business

If you lease an office or storage facility for operation of the Franchised Business your lease must provide for certain rights of Fast Aid Success Systems You and the landlord are required to sign a Collateral Assignment of Lease attached to the Franchise Agreement as an exhibit It provides that we can take over the lease under certain circumstances, including your failure to cure lease defaults, termination of the Franchise Agreement, your abandonment of the premises or your failure to exercise any option to renew the lease

ITEM 9 FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS DISCLOSURE DOCUMENT

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENTS ITEM
ddd Site selection and acquisition	§ 4	Item 11
eee Pre-opening purchases/leases	§§ 4 and 5	Items 7 and 8
c Site development and other pre-opening requirements	§§ 4, 5 and 6	Items 7 and 11
d Initial and ongoing training	§ 6	Items 6 and 11
e Opening	§ 5	Item 11
f Fees	§ 2, 3 and 12	Items 5 and 6
g Compliance with standards and policies/ Operations Manual	§§ 7 and 11 and in Operations Manual	Item 11
h Trademarks and proprietary information	§§ 9 and 11 12	Items 13, 14 and 16
i Restrictions on products/services offered	§§ 4 and 10	Item 16
j Warranty and customer service requirements	§ 11 and Operations Manual	Item 11
k Territorial development and sales quotas	§ 11	Item 12
l Ongoing product/ service purchases	§§ 10 and 11	Item 8
m Maintenance, appearance and remodeling requirements	§§ 11 and 3 4	Item 11
n Insurance	§§ 14 and 15	Item 6
o Advertising	§§ 11, 12 and 4 3-4 4	Items 6 and 11
p Indemnification	§ 15	Item 6
q Owner's participation/ management/staffing	§§ 6 and 11	Items 11 and 15

r Records/reports	§§ 13 and 14 1	Items 6 and 11
s Inspections/audits	§§ 11 18, 12 4, 13 4, 13 6, 13 8 and 14	Item 6
t Transfer	§§ 17, 18 and 19	Item 17
u Renewal	§ 3	Items 6 and 17
v Post-termination obligations	§§ 11 17, 19 14 and 20	Item 17
Non-competition covenants	§§ 8, 11 17, 16 4, 19 7 and 19 11	Item 17
x Dispute resolution	§ 20	Item 17
y Other (describe)		

ITEM 10 FINANCING

Except as described below, we do not offer direct or indirect financing We will not guarantee your note, lease or other obligations

Fast Aid Success Systems may, in our sole discretion, finance all or part of the initial franchise fee to qualified buyers

If financed, the balance shall be paid in 12 monthly installments at an interest rate that is the lesser of 12% per annum or the highest permissible rate allowed by law A franchisee who finances the Initial Franchise Fee must sign a Promissory Note in the form of Exhibit G and, as security, its Owners must sign the Owner's Guarantee

You can prepay the Promissory Note without penalty If you are in default, we can declare the outstanding principal balance and all unpaid accrued interest immediately due and payable You will have to pay our reasonable attorney's fees and other legal costs we incur in enforcing payment and collection of the balance due

You and your guarantor will waive demand for payment, presentment for payment, protest, notice of non-payment or dishonor and all other notices and demands

We do not intend to sell, assign or discount your Promissory Note to a third party

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

Except as disclosed below, the franchisor is not required to provide you with any assistance.

- BEFORE YOU OPEN YOUR BUSINESS, we will

1 Designate your exclusive territory (Franchise Agreement, paragraph 4) Customarily, the Franchisees operate their franchise business from their homes or from business locations already in existence in connection with existing businesses Therefore, Franchisor is not involved in the selection of a location for the franchise business We do require that your office and storage areas are a minimum of approximately 100 square feet each You must have adequate space to park your service vehicles Your office and warehouse must be in, or within close proximity of your designated territory We must approve your site before we agree to sign a contract with you

- SELECTION OF LOCATION You may operate the business from your home or other location within close proximity of your territory You shall be reachable by a local telephone call throughout your territory (Franchise Agreement, paragraphs 4 5, 4 6 and 5 1)

2 Provide guidance in laying out and setting up your office and provide lists of required office supplies and equipment

3 Provide guidance with selecting, outfitting and trade-dressing one or more vehicles (Franchise Agreement, paragraph 5 2) We will provide you with lists for required inventory, equipment, tools, stationary and other items to be used in your franchised business, as well as recommended vendors We will develop and maintain a list of standards for trucks, inventory, equipment, tools, uniforms and other items to be used by you in your Franchised Business (Franchise Agreement, paragraph 5 2) We will provide you with a total of three identical "Flat Rate Pricing Menus" prior to the start of business at no cost to Franchisee (Franchise Agreement, paragraph 11 13)

4 Provide guidance with advertising materials and arrangements (Franchise Agreement, paragraph 6) Franchisee is required to spend a minimum of $1000 on pre-opening marketing This money is in addition to the required Yellow Pages advertising All marketing must be pre-approved by franchisor

5 Train you (one person) and up to nine additional persons at no additional charge if all parties are trained at one time You may bring additional parties to training as long as space allows Training will be completed within 60 days of your signing the Franchise Agreement (We do not charge for the initial training, but you must pay your own travel and living expenses)

All training must be completed within 8 weeks after signing of the Franchise Agreement and 1 week before opening for business (Franchise Agreement, paragraph 6) All training occurs at our Dixon, California headquarters or other Plumbing Doctor office and at your territory

Our primary instructional material for the initial training program will be the Operations Manual The instructors may be any one or combinations of persons listed in Item 2 of this Disclosure Document or current employees of Plumbing M D Inc corporate headquarters or current employees of Fast Aid Success Systems

The training program is outlined in the table below

TRAINING PROGRAM

SUBJECT	TIME BEGUN (sequence & frequency)	INSTRUCT-IONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Introduction - the industry, the market & our niche	Prior to opening	Lecture, charts, PowerPoint, etc	1 hour	none	At Plumbing M D Inc Headquarters or a site near by
Trade dress & image and The Power of the Brand	Prior to opening	Charts, slides, PowerPoint	1 hour	none	At Plumbing M D Inc Headquarters or a site near by
Our service commitment & how to meet it – "Tech Steps"	Prior to opening	Lecture, Demonstrate, PowerPoint	2 hours	none	At Plumbing M D Inc Headquarters or a site near by
Customer relations and dispatching	Prior to opening	Lecture, Demonstrate, PowerPoint	1 hour	none	At Plumbing M D Inc Headquarters or a site near by
Menu Pricing	Prior to Opening	Lecture, PowerPoint, Demonstrate	2 hour	none	At Plumbing M D Inc Headquarters or a site near by
Office operations	Prior to opening	Lecture, hands on training	2 hours	none	At Plumbing M D Inc Headquarters or a site near by
Using the computer software	Prior to opening	Hands on training, PowerPoint	2 hours	2 hours	At Plumbing M D Inc Headquarters or a site near by
Truck, Tools & Equipment	Prior to opening	Demonstrate	1 hour	none	At Plumbing M D Inc Headquarters or a site near by
Information & reports	Prior to opening	Charts, hands on training	1 hour	none	At Plumbing M D Inc

					Headquarters or a site near by
Advertising	Prior to opening	Lecture, documents	1 hour	none	At Plumbing M D Inc Headquarters or a site near by
Promotional activities	Prior to opening	Charts, photos, etc	2 hours	none	At Plumbing M D Inc Headquarters or a site near by
Marketing/Sales	Prior to opening	Documents, charts, discussion	2 hours	none	At Plumbing M D Inc Headquarters or a site near by
Misc	Prior to opening	personal consultation	2 hours	2 hours	At Plumbing M D Inc Headquarters or a site near by
Totals			20 hours	4 hours	24 hours

- TIME TO OPEN BUSINESS You are expected to complete the training program, obtain and outfit your vehicle and office, and open for business within from one to eight weeks after you sign the Franchise Agreement, depending on your licensing and readiness to begin, calendar factors relevant to your opening schedule, our training schedule, and other such factors (Franchise Agreement, paragraph 6) Ordinarily, unless another prospective franchisee is ready to open the same territory, additional time may be obtained if you request based on a good reason

- DURING YOUR OPERATION OF THE FRANCHISED BUSINESS, we will

6 Loan you a copy of our Operations Manual which contains mandatory and suggested specifications, standards and procedures This manual is confidential and remains our property We will modify this manual, but the modifications will not alter your status and rights under the Franchise Agreement (Franchise Agreement, paragraph 7) The Operations Manual may be expected to undergo change As of the date this disclosure document was written, the table of contents of the Operations Manual was as follows

Part	Title	Total # of Pages
1	Introduction	4
2	Pre-Opening Procedures	51
3	Operating the Business	24
	Office Operations	
	Warehouse Operations	
4	Special Programs	36
5	Accounting, Reports and Records	4
6	Trademarks and Logos	3
7	Plumbing Doctor Graphics and Standards	4
8	Vendors, Supplies and Equipment	2
9	Appendices Lists, Forms, Policies, etc Technician Field Book Advertising and Marketing Programs Conducting a Service Call	119
Total		247

7 Make available to you ongoing training and assistance, which may be obtained by telephone or during visits You may request additional training, or, if deemed necessary, we may require additional training (Franchise Agreement, paragraph 6 4) Any additional training may be subject to a fee (Franchise Agreement, paragraph 6 5)

8 Cause field representatives to visit Franchisee's Franchised Business, from time to time, for the purpose of rendering advice and consultation with respect to the Franchised Business, its operation and performance, and compliance by Franchisee of Franchisor's systems (Franchise Agreement, paragraph 13)

9 A Provide some amount of advertising material and services to you These may include copy-ready print advertising materials, posters, banners, videos, etc We will provide you with one sample and one electronic file at no charge There will be a charge for any additional copies We will develop advertising and marketing programs Some of our advertising materials are produced in-house and some are produced through external agencies

B Review and approve all advertising and promotional material that you develop to be used

in the operation of the Franchised Business Franchisor will provide Franchisee with marketing materials, ideas, and strategies (Franchise Agreement, paragraph 11 14)

10 Require you to use a computer and printer in the business to record sales and make reports to us Franchisee will be required to send data reporting on a weekly basis to us We do not supply or profit thereby nor assist you in obtaining such items or services We supply no proprietary software The minimum system requirements for this are at least a 1 GHz Intel Pentium III processor (or equivalent) running windows XP and 256 MB of RAM for single use user and 512 MB for multiple concurrent users if you network two or more computers You are required to use QuickBooks Pro 2002 or a newer version of QuickBooks or Peachtree 2007 Complete or a newer version of Peachtree You must also have a laser printer to print reports, documents and invoices You must have high-speed internet access (DSL, Cable, T1line or equivalent) and email We currently do not access your computer data remotely, but reserve the right to do so If we were to exercise this right you would be required to purchase the necessary hardware and software to allow us to do this

You may be required to upgrade the software and computer hardware from time to time at a cost that is not unreasonable considering the nature of the business (Franchise Agreement, paragraphs 11 3 and 13)

- DURING YOUR OPERATION OF THE FRANCHISED BUSINESS, we may

11 Offer additional specific services in the future to some or all Franchisees in such areas as accounting services, payroll services, various personnel-related services and/or dispatching, inventory control, etc Franchisee shall be permitted, but not required, during the initial term of the agreement, to purchase available services from Franchisor

12 Hold annual conferences to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandise procedures There would be no conference fee, but you must pay all your travel expenses These conferences would be held at a location selected by us after input from Franchisees

13 Establish an Advertising Fund We have not yet established an Advertising Fund, but reserve the right to do so in the future Once established, you will be required to contribute a percentage of your gross revenue, which will be no more than 2% per annum, to the Advertising Fund If we have any company-owned or affiliated stores operating under the Marks, they will also contribute an equal percentage from their gross revenue to the Advertising Fund All fees paid to the Advertising Fund are in addition to and exclusive of any sums you may be required to spend on other local or area advertising and promotions

We have sole discretion over the creative concepts, materials, media and placement of advertising paid for from the Advertising Fund and over allocation of the Advertising Fund We intend to use the Advertising Fund for all forms of radio, television, Yellow Pages or comparable telephone directory listing, outdoor, direct response marketing, interactive and internet media, and for any research conducted to support and prepare the marketing Some of the advertising may be prepared in-house, and some may be contracted out to a qualified company

You agree that the Advertising Fund will be intended to maximize recognition of the Licensed Marks and patronage of all Franchised Businesses in the United States Although we will try to use the Advertising Fund to develop marketing materials and programs, and to place advertising that will benefit all Franchised Businesses, we are not obligated to ensure that expenditures by the Advertising Fund in any geographic area will be proportionate or equivalent to the contributions to the Advertising Fund by Franchisees operating in that geographic area We are also not obligated to ensure that any Franchised Businesses will benefit directly or in proportion to its contribution to the Advertising Fund While we intend the Advertising Fund to last indefinitely, we will have the right to terminate it and, if terminated, to reinstate it at any time after all the money in the fund has been spent (Franchise Agreement, paragraph 12)

Fast Aid Success Systems may receive payment from the Advertising Fund for its costs of maintaining, administering, directing, creating, preparing and approving advertising and promotions, market research, and collecting and accounting for assessments for the Advertising Fund, including salaries and overhead expenses and the cost of activities reasonably related to these functions, but we shall not use any of these funds for any of our general operating expenses

Fast Aid Success Systems shall prepare an accounting of the operation of the Advertising Fund and this report shall be made available to you upon request There is no requirement for Fast Aid Success Systems to audit the Advertising Fund or to provide you with an audited report If Fast Aid Success Systems elects to have such an audit performed, the cost of doing so can be charged against the Advertising Fund

The Advertising Fund is not used for any advertising that is principally a solicitation for the sale of franchises As of the date of this Disclosure Document there is no active advertising council

ITEM 12 TERRITORY

The franchise is granted for a specific geographical Exclusive Territory

Territory boundaries are determined by the current United States Postal Service zip codes at the time a Franchise Agreement is executed A territory is composed of contiguous zip codes in an area to be agreed upon by franchisor and franchisee Territory is defined as the area that is included within the boundaries of the zip codes listed below or included on an attached document

_____

(Franchise Territory)

If you are not meeting the minimum sales requirement after five years from the time you sign the agreement, you may lose your exclusive rights (Franchise Agreement, paragraph 11 18)

If a specific office location is not designated when you sign the Franchise Agreement, you shall attempt to locate the office at a site we will approve to be located within close proximity of the Exclusive Territory described in the Franchise Agreement (See Section 4 7 of the Franchise Agreement) You must locate your own office site

We reserve the right during the initial term of this Agreement to establish other Plumbing Doctor offices, whether company or franchisee owned, at any location outside your Exclusive Territory

You can relocate your office within your Exclusive Territory

There are no options or rights of first refusal to obtain contiguous or other territories

Franchisees are not prevented from soliciting, advertising or accepting business from any distance except that they may not service customers in another Plumbing Doctor Franchisee's territory These same rules apply to franchises or company-owned units owned by us or any affiliate

If a customer located outside the boundaries of your Territory desires to retain you to render authorized services at any time, you shall refer the customer to the franchisee within whose territory such customer is located, or to us if we are operating a service center in such territory If neither we nor another Plumbing Doctor franchisee is conducting business in that territory, you may serve the customer We can adopt and change policies and procedures prohibiting or strictly limiting your solicitation of business and marketing activities outside the Territory

We retain the right to service a customer who for some reason is dissatisfied with the designated Franchisee, or to reimburse the customer All costs associated with either service or reimbursement will be borne by you

Neither we nor any affiliate has any present plan to establish other franchises or company owned offices selling competing or interchangeable products or services under a different channel of distribution or trade name or trademark within your Exclusive Territory or elsewhere However, we and our affiliates reserve all rights in the future to do so, except that within the initial term of any agreement now being offered, we will not do so within your Exclusive Territory unless the product or services are, in our judgment, more complementary to than competitive with those you offer and unless you are offered a first right to acquire the franchise within your Exclusive Territory

ITEM 13 TRADEMARKS

We authorize you, as a Plumbing Doctor Franchised Business, to operate under the following trademarks, trade names and logos, all of which we are authorized to use under a licensing agreement from Michael S Farias the "stripe and cross" design®, Plumbing Doctor®, Fast Aid®, The Feel Good Plumbing Experience! ®, Plumbing It Green®, Experience the Difference® and The Professional Plumber®

In some specific instances we may authorize you to operate under the name Plumbing M D and use the trademark Plumbing M D ® This will be at the sole discretion of us and will only be considered for franchisees who want to open a Plumbing Doctor franchise in a market that has a similarly named plumbing business

The following service marks have been registered to Michael Farias as service marks with the state of California and are licensed to Fast Aid Success Systems for use in the Plumbing Doctor Franchise System

State Registration **"Plumbing Doctor"** (with the Red Cross design) is registered as a service mark in the State of California The registration issued February 25, 1993 under Registration Number 41624

"Plumbing M.D." is registered as a service mark in the State of California The registration issued March 7, 2003 under the registration Number 057328

Federal Registration The following service marks have been registered to Michael Farias as service marks at the U S Patent and Trademark Office and are licensed to Fast Aid Success Systems for use in the Plumbing Doctor Franchise System

- Service Mark — Horizontal stripe and the Red Cross design (for placement on sides of emergency service vehicle)
  Registrant — Michael S Farias
  Registration Number — 2,121,999, Principal Register
  Registration Date — 12/16/1997
  Serial Number — 74618306
  Class of Services — International Class 37
  Services — Plumbing service and repair

- Service Mark — Plumbing M D
  Registrant — Michael S Farias
  Registration Number — 3042887, Principal Register
  Registration Date — 1/10/2006
  Serial Number — 78473688
  Class of Services — International Class 37
  Services — Plumbing service and repair

- Service Mark — Plumbing Doctor
  Registrant — Michael S Farias
  Registration Number — 3152828
  Registration Date — 10/10/2006
  Serial Number — 78474300
  Class of Services — International Class 37
  Services — Plumbing service and repair

- Service Mark: The Feel Good Plumbing Experience!
  Registrant: Michael S Farias
  Registration Number: 3193841
  Registration Date: 01/02/2007
  Serial Number: 78831048
  Class of Services: International Class 37
  Services: Plumbing service and repair

- Service Mark: Fast Aid
  Registrant: Michael S Farias
  Registration Number: 3232900
  Registration Date: 04/24/07
  Serial Number: 78847277
  Class of Services: International Class 37
  Services: Plumbing service and repair

- Service Mark: Plumbing It Green
  Registrant: Michael S Farias
  Registration Number: 3837429
  Registration Date: 08/24/10
  Serial Number: 77914203
  Class of Services: International Class 37
  Services: Plumbing service and repair

- Service Mark: Experience the Difference
  Registrant: Michael S Farias
  Registration Number: 4041279
  Registration Date: 10/18/11
  Serial Number: 85258034
  Class of Services: International Class 37
  Services: Plumbing service and repair

Federal Registration The following service marks have been registered on the supplemental register to Michael Farias as service marks at the U S Patent and Trademark Office and are licensed to Fast Aid Success Systems for use in the Plumbing Doctor Franchise System

- Service Mark: The Professional Plumber
  Registrant: Michael S Farias
  Serial Number: 78874790
  Registration Number: 3204781
  Registration Date: 01/30/2007

Class of Services	International Class 37
Services	Plumbing service and repair

Effective Material Determinations, Pending Proceedings, Litigation There have been twelve (12) presently effective determinations of any trademark office, administrator or court the affirmative determination by the State of California with respect to registration of "Plumbing Doctor" (with the Red Cross design), the affirmative determination by the State of California with respect to registration of "Plumbing M D , the affirmative determination by the U S Patent and Trademark Office with respect to registration of the "stripe and cross" service mark, the affirmative determination by the U S Patent and Trademark Office with respect to renewal of the "stripe and cross" service mark, the affirmative determination by the U S Patent and Trademark Office with respect to register the "Plumbing M D " service mark, the affirmative determination by the U S Patent and Trademark Office with respect to renewal of the "Plumbing M D " service mark, the affirmative determination by the U S Patent and Trademark Office with respect to register the "Plumbing Doctor" service mark, the affirmative determination by the U S Patent and Trademark Office with respect to register "the feel good plumbing experience!" service mark, the affirmative determination by the U S Patent and Trademark Office with respect to register the "Fast Aid" service mark, the affirmative determination by the U S Patent and Trademark Office with respect to register the "Plumbing It Green" service mark, the affirmative determination by the U S Patent and Trademark Office with respect to register the "The Professional Plumber" service mark, and the affirmative determination by the U S Patent and Trademark Office with respect to register the "Experience the Difference" service mark

There are no pending interference, opposition, or cancellation proceedings, nor any litigation, involving any of the above marks, names, logotypes and commercial symbols

Trademark Agreements There are no agreements currently in effect which significantly limit our rights to use or license the use of the trademarks listed in item 13 in a manner material to the franchise Agreements are in effect licensing the marks for all franchising purposes exclusively to Fast Aid Success Systems, the Franchisor, and obligating us to maintain quality standards associated with them

Whether We Must Protect Your Rights to Use the Principal Marks A federal or state trademark or service mark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area Therefore, prior to entering into the Franchise Agreement, you should check and be sure that there are no existing uses of our marks, names, logotypes and/or commercial symbols or any marks or names confusingly similar to any of them within the market area where you want to do business If you find any similar names or marks, you should immediately notify us Any action to be taken in that event is strictly within our discretion

Known Prior Rights or Infringing Uses Except to the extent that others may have use prior to use by Michael Farias or by Fast Aid Success Systems of "Plumbing M D " or of the marks, "Plumbing Doctor," "Fast Aid," "The Feel Good Plumbing Experience," "The Professional Plumber", "Experience the Difference", and the "stripe and cross" trade dress, we know of no

infringing use of the above marks, names, logotypes and/or commercial symbols which could materially affect your use of them

We are currently aware of the following companies who are or were operating under names or symbols that may be confusingly similar to our registered trademarks Because they are not in or near your proposed territory they will not affect your ability to use the marks The companies and status of each is as follows

1 The Plumbing Doctor Inc , Oakland, CA, California State Contractor's License Number 851658 We believe that this is an infringing use of our registered trademark "Plumbing Doctor " We sent a cease and desist letter to the company, and the company has agreed to cease using the mark effective September 30, 2006

2 The Plumbing Doctor, Union City, CA, California State Contractor's License Number 864352 We believe that this is an infringing use of our registered trademark "Plumbing Doctor " We sent a cease and desist letter to the company, and the company has agreed to cease using the mark effective April 30, 2006

3 M D Plumbing, Chico, CA, California State Contractor's License Number 523191 The company has been operating since 1988 and, therefore, has prior use of the mark We have taken no action against the company

4 M D Plumbers, La Jolla, CA, California State Contractor's License Number 670172 We believe that this is an infringing use of our registered trademark "Plumbing M D " We sent a cease and desist letter to the company but have not taken action at this time We will continue to monitor their use of the mark

5 Plumbing Doctor, Los Angeles, CA, California State Contractor's License Number 78099 We believe that this is an infringing use of our registered trademark "Plumbing Doctor " We sent a cease and desist letter to the company, and the company agreed to cease using the mark

6 Plumbing M D , Torrance, CA, California State Contractor's License Number 857435 We believe that this is an infringing use of our registered trademark "Plumbing M D " We sent a cease and desist letter to the company, and the company agreed to cease using the mark

7 The Plumbing Doctor, Escondido, CA, California State Contractor's License Number 749053 We believe that this is an infringing use of our registered trademark "Plumbing Doctor " We sent a cease and desist letter to the company We are in communication with the infringer and may take action in the future

8 Dr Plumber, Reno, NV Owner is not shown to have a current Contractor's License for the state of Nevada We believe that this is an infringing use of our registered trademark "Plumbing Doctor" We sent a cease and desist letter to the

company, and the company agreed to cease using the mark However, the owner started using the mark again after several years We pursued the matter through our attorney, who filed a complaint in federal court on our behalf An agreement was reached in which the owner ceased using the mark and paid an undisclosed cash settlement As of December 2012 the company is no longer using the mark

9 Drain Medic, San Diego, CA, California State Contractor's License Number 730327 The company has been operating since 1986 and, therefore, has prior use of the mark We have taken no action against the company

10 Plumbing Doctor, Culver City, CA, California State Contractor's License Number 652076 We believe that this is an infringing use of our registered trademark "Plumbing Doctor" We sent a cease and desist letter to the company, and the company agreed to cease using the mark

11 Dr Phil's Plumbing Doctor, Cathedral City, CA, California State Contractor's License Number 801010 We believe that this is an infringing use of our registered trademark "Plumbing Doctor" We sent a cease and desist letter to the company and the company agreed to cease using the mark

12 Dr Rooter, Reno, NV, Nevada State Contractor's License Number 0074291 We believe that this is an infringement use of our registered trade dress of the stripe and cross on the ambulances We sent a cease and desist letter to the company and the company agreed to stop using the mark

You must immediately notify us of any claim of infringement by or challenge to your use of any names or marks licensed to you by the Franchise Agreement We have the sole discretion to determine what action to take, if any, regarding the matter Should we elect to take legal or administrative action, you agree to join as a party to such action, or allow the action to be brought solely in your name, as and only if we so direct We will bear the legal fees and court costs of prosecuting or defending any such action, if we decide to prosecute or to defend We will pay all damages for which you are held liable in any such infringement proceeding on the condition that you have used the licensed marks and names only in strict accordance with the Franchise Agreement and the Operations Manual, have promptly notified us of any claim against or challenge to your use of the marks and/or names, have fully cooperated with us in the handling of any legal and/or administrative proceedings, and have at all times, including after a controversy has arisen, followed our directives concerning use, including discontinuation of use, of the marks, names, logotypes and/or commercial symbols in question

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

As of the date of this Document, we hold no registered patents or copyrights that are material to the operation of Plumbing Doctor offices, other than unregistered and common law copyrights, which we license from Plumbing M D Inc or Michael Farias and are claimed for Operations Manuals, Software and other published materials You are required to use such material only as we direct You must observe the same practices as are set forth above regarding our licensed service marks and other commercial symbols
The same requirements will apply to other copyrighted material which we may develop or license, whether registered or not

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

If you are an individual, you or your business manager must directly supervise the franchised business on its premises or aboard its vehicles If you are a corporation, an LLC or a partnership the direct, on-site supervision must be done by a particular person, identified to us in the Franchise Agreement (paragraph 6 1) and trained in the Plumbing Doctor system Also see paragraphs 11 and 16 of the Franchise Agreement

All shareholders, partners and other owners in the franchise if franchisee is not an individual must sign a Guaranty and Assumption of Obligations attached as Exhibit D to the Franchise Agreement personally guaranteeing and agreeing to be bound by the obligations under the Franchise Agreement to the same extent as the franchisee

Fast Aid Success Systems may require you and all of your personnel performing managerial or supervisory functions and all personnel receiving special training from Fast Aid Success Systems, to sign confidential information agreements as required by Franchisor

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods and services that we have approved (see Item 8) You must offer all goods and services that we require all franchisees to offer These required services are household and business emergency and regular plumbing repairs, sewer and drain pipe cleaning, and plumbing installations

We have the right to add additional authorized services that you will be required to offer There are no limits on our right to do so except that the services shall pertain generally to plumbing services and the related investment required of you (for equipment, supplies and initial inventory) shall not exceed a reasonable amount given the nature of the industry

If we develop private-labeled merchandise for Plumbing Doctor businesses, you must carry a reasonable quantity of such items as we specify You must sell such private-labeled merchandise only from your vehicle or premises and not by mass marketing or on a wholesale basis for resale except with our written approval (Franchise Agreement, paragraph 10 2)

You set the prices you charge to customers If we consult with you on costs and prices, or if we or our agents suggest prices to you from time to time, you are under no obligation to follow our suggestions If we conduct advertising in which prices for items are indicated or suggested, these prices do not bind you You must use the "Flat Rate Menu Pricing" system as explained in the Operations Manual (Franchise Agreement, paragraph 11 13)

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

You shall maintain absolute confidentiality of our Trade Secrets during and after the term of this Agreement You shall not use any Trade Secrets in any manner we do not specifically authorize or approve in writing

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	§ 3 1	Term is 10 years
b Renewal or extension of the term	§ 3 2	Two ten year options if you are in good standing and pay the option price
c Requirements for franchisee to re-new or extend	§ 3 4	Sign new agreement, pay fee, upgrade equipment, and sign release
d Termination by franchisee	§ 16	Selling, transferring, assignment, etc
e Termination by franchisor without cause	None	None
f Termination by franchisor with cause	§ 19	Non-compliance, non-payment of fees, felony conviction, expiration of term without renewal, etc
g "Cause" defined-- curable defaults	§ 19 2	Non-compliance, non-payment, under-reporting, and the like See cited section of Franchise Agreement

h "Cause" defined – non-curable defaults	§19 2	Foreclosure, seizure by authorities, felony conviction, and the like See cited section of Franchise Agreement [Note The agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)]
i Franchisee's obligations on termination/ non-renewal	§§11 17, 19 7, 19 9, and 8	Immediately bring all accounts current, cease to use Marks, assign phone numbers, return Operations Manual to us, etc , certain continuing non-compete obligations
j Assignment of contract by Franchisor	§ 17	We may freely assign our rights and duties under the Agreement
k "Transfer" by franchisee - definition	§ 16	Very broadly defined, but transfer fees apply only for certain transfers
l Franchisor approval of transfer by franchisee	§ 16	Transfers to third parties must meet conditions listed in "m" below Ownership by or transfer to entity which is wholly-owned by same individual(s) approved by us as the Franchisee is permitted if the owners guarantee and agree to be bound by Franchise Agreement, the entity is not engaged in any other business, you provide specified information about the entity and its ownership to us, ownership in the entity is subject to same transfer restrictions as are applicable to Franchisee
m Conditions for franchisor approval of transfer	§16 (especially 16 3-16 5)	Application fee, right of first refusal, approval of transferee, full payment of outstanding debts, execution of documents, payment of transfer fee etc
n Franchisor right of first refusal to acquire franchisee's business	§§ 16 4 and 19	We can match any offer for your business
o Franchisor option to purchase	None, except as at n above	

franchisee's business		
p Death or disability of franchisee	§§ 11 7, 16 6, 16 7, and 20 1(b)	Your qualifying heirs may take the franchise by assignment under normal rules, or estate may sell, the business must be kept open
q Non-competition covenants during the term of the franchise	§§ 8 7 and 11 17	No involvement in competing business within 50 miles of territory or 20 miles of any other Plumbing Doctor Franchise, except plumbing business owned by franchisee prior to conversion to franchise, no involvement in competing franchisor Restrictions against diverting business, employing employees in system, inducing other franchisees to breach
r Non-competition covenants after the franchise is terminated or expires	§§ 8 7 and 11 17	No involvement in competing business within 50 miles of territory or 20 miles of any other Plumbing Doctor franchise, except plumbing business owned by franchisee prior to conversion to franchise, no involvement in competing franchisor Restrictions against diverting business, employing employees in system, inducing other franchisees to breach Without conceding it to be so, we are required to state that this provision may not be enforceable under California law
s Modification of the agreement agreement	§ 22	No modifications generally except in writing signed by both parties, but Operations Manual subject to change
t Integration/ merger clause	§ 35	Only the terms of the Franchise Agreement are binding (subject to state law) Any promises outside the disclosure document and franchise agreement may not be enforceable
u Dispute resolution by arbitration or mediation	§ 20	Except for certain claims, all disputes must be arbitrated in Sacramento County, CA, after informal resolution first attempted
v Choice of forum	§§ 20 3-20 4	ADR Services Inc , San Francisco, CA (if any)
w Choice of law	§ 20 1	California law, except federal Lanham Act and federal arbitration act

These states have statutes which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise ARKANSAS [Stat Section 70-807], CALIFORNIA [Bus & Prof Code Section 20,000-20043], CONNECTICUT [Gen Stat Section 42-133e *et seq*], DELAWARE [Code, tit], HAWAII [Rev Stat Section 482E-1], ILLINOIS [Rev Stat Chapter 121-1/2, Sections 1719-1720], INDIANA [Stat Section 23 2-2 7], MICHIGAN [Stat Section 19 854(27)], MINNESOTA [Stat Section 80C 14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat Section 407 400], NEBRASKA [Rev Stat Section 87-401], NEW JERSEY [Stat Section 56 10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13 1-557-574-13 1-564], WASHINGTON [Code Section 19 100 180], WISCONSIN [Stat Section 135 03] These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with us including the areas of termination renewal of your franchise

ITEM 18 PUBLIC FIGURES

We use no public figures to promote the franchise

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Michael Farias, Fast Aid Success Systems, 955 Business Park Drive, Dixon, CA 95620, (707) 678-3659, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No 1

SYSTEMWIDE OUTLET SUMMARY
FOR YEARS ENDING DECEMBER 31, 2016 / 2015 / 2014

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2014	4	3	1
	2015	3	3	0
	2016	3	3	0
Company-Owned	2014	2	2	0
	2015	2	2	0
	2016	2	2	0
Total Outlets	2014	6	5	1
	2015	5	5	0
	2016	5	5	0

As of the date of this Document

Six franchises have been granted for a Plumbing Doctor business of a type substantially similar to those offered herein Two were to our predecessor, Mike Farias Initial fee and royalties are on a concession basis The franchised business of Mike Farias is located at 955 Business Park Drive, Dixon, CA 95620 His telephone number is (707) 678-3659

The third is a franchise in Reno, Nevada and services Reno and the surrounding areas This franchise outlet opened in November 2006

The fourth is a franchise in Yuba City, California and services the Marysville / Yuba City area This franchise outlet opened in December 2009

The fifth is a franchise in Albany, Oregon and services Albany, Corvallis and the surrounding area This franchise outlet opened in August 2011

The sixth is a franchise in Rocklin, CA and services Rocklin, Roseville and the surrounding area This franchise outlet opened in July 2013 and closed in May 2014

Table No 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS FOR YEARS ENDING DECEMBER 31, 2016 / 2015 / 2014

STATE	YEAR	NUMBER OF TRANSFERS
California	2014	0
	2015	0
	2016	0
Nevada	2014	0
	2015	0

	2016	0
Oregon	2014	0
	2015	0
	2016	0
Total	2014	0
	2015	0
	2016	0

Table No 3

STATUS OF FRANCHISED OUTLETS
FOR YEARS ENDING DECEMBER 31, 2016 / 2015 / 2014

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
California	2014	1	0	1	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Nevada	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Oregon	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Total	2014	3	1	1	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3

Table No 4

STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS ENDING DECEMBER 31, 2016 / 2015 / 2014

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
California	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Nevada	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0

	2016	0	0	0	0	0	0	0
Oregon	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Total	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2

Table No 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2016

STATE	FRANCHISE AGREEMENT SIGNED BUT OUTLETS NOT YET OPEN	PROJECTED NEW FRANCHISED STORES OPENING IN 2017	PROJECTED NEW COMPANY STORES OPENING IN 2017
California	0	3	0
Total	0	3	0

We estimate that three (3) franchises will be sold during the next twelve months, mostly in California and otherwise in only non-registration states None will be company operated

There have been no cancellations, terminations, non-renewals, or reacquisitions of Plumbing Doctor franchises

OUTLETS CURRENTLY IN OPERATION

Attached as Exhibit I is a list of current and former franchisees If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

ITEM 21 FINANCIAL STATEMENTS

- Attached as Exhibits C-1, C-2 and C-3 are copies of our Audited Financial Statements for the Years Ending December 31, 2014, December 31, 2015 and December 31, 2016, consisting of the Independent Auditors' Report of certified public accountant, Balance Sheet of Fast Aid Success Systems, as of December 31, 2016, accompanying notes, and copy of Independent Auditors' Consent

ITEM 22 CONTRACTS

Copy of the following contracts or documents are attached as Exhibits hereto

A FRANCHISE AGREEMENT

B	FRANCHISE APPLICATION/REQUEST FOR CONSIDERATION
C	FRANCHISOR'S FINANCIAL STATEMENTS
D	CONTINUING GUARANTEE
E	STATE ADMINISTRATORS & INFORMATION
F	AGENTS FOR SERVICE OF PROCESS
G	PROMISSORY NOTE
H	POWER OF ATTORNEY
I	CURRENT AND FORMER FRANCHISEES

ITEM 23 RECEIPTS

Attached is an Acknowledgment of Receipt to be signed by the prospective Franchisee receiving this Disclosure Document

APPENDIX

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

Receipt

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

If Fast Aid Success Systems offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed sale

If Fast Aid Success Systems 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 California Department of Business Oversight

Listed below are all persons who assisted in the sale of the franchise on behalf of Fast Aid Success Systems

Michael S Farias
955 Business Park Drive
Dixon, CA 95620
(707) 678-3659

_____
Seller's Name

_____
Business Street Address

_____
City State Zip Code

_____
Phone Number

_____
Seller's Name

_____
Business Street Address

_____
City State Zip Code

_____
Phone Number

_____

Seller's Name

_____

Business Street Address

_____

City State Zip Code

_____

Phone Number

_____

Seller's Name

_____

Business Street Address

_____

City State Zip Code

_____

Phone Number

I received a disclosure document dated _____ that included the following exhibits

A FRANCHISE AGREEMENT
B FRANCHISE APPLICATION
C FRANCHISOR'S FINANCIAL STATEMENTS
Exhibit C-1 Audited Financial Statements for the year ended December 31, 2016
Exhibit C-2 Audited Financial Statements for the year ended December 31, 2015
Exhibit C-3 Audited Financial Statements for the year ended December 31, 2014
D CONTINUING GUARANTEE
E STATE ADMINISTRATORS & INFORMATION
F AGENTS FOR SERVICE OF PROCESS
G PROMISSORY NOTE
H POWER OF ATTORNEY
I CURRENT AND FORMER FRANCHISEES

As an officer or individually or partner on behalf of the potential franchisee

Signed _____ Dated _____

Print Name _____

Signed _____ Dated _____

Print Name _____

As an officer on behalf of Fast Aid Success Systems

Signed _____ Dated _____

Print Name _____

Receipt

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

If Fast Aid Success Systems offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed sale

If Fast Aid Success Systems 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 California Department of Business Oversight

Listed below are all persons who assisted in the sale of the franchise on behalf of Fast Aid Success Systems

Michael S Farias
955 Business Park Drive
Dixon, CA 95620
(707) 678-3659

_____
Seller's Name

_____
Business Street Address

_____
City State Zip Code

_____
Phone Number

_____
Seller's Name

_____
Business Street Address

_____
City State Zip Code

_____
Phone Number

Seller's Name

Business Street Address

City State Zip Code

Phone Number

Seller's Name

Business Street Address

City State Zip Code

Phone Number

I received a disclosure document dated _____ that included the following exhibits

A FRANCHISE AGREEMENT
B FRANCHISE APPLICATION
C FRANCHISOR'S FINANCIAL STATEMENTS
Exhibit C-1 Audited Financial Statements for the year ended December 31, 2016
Exhibit C-2 Audited Financial Statements for the year ended December 31, 2015
Exhibit C-3 Audited Financial Statements for the year ended December 31, 2014
D CONTINUING GUARANTEE
E STATE ADMINISTRATORS & INFORMATION
F AGENTS FOR SERVICE OF PROCESS
G PROMISSORY NOTE
H POWER OF ATTORNEY

As an officer or individually or partner on behalf of the potential franchisee

Signed _____ Dated _____

Print Name _____

Signed _____ Dated _____

Print Name _____

As an officer on behalf of Fast Aid Success Systems

Signed _____ Dated _____

Print Name _____

PLUMBING DOCTOR®

FRANCHISE AGREEMENT

EXHIBIT A

TABLE OF CONTENTS

RECITALS 1

GRANT OF FRANCHISE 2

INITIAL FRANCHISE FEE 2

TERM AND RENEWAL 3

TERRITORIAL RIGHTS AND OFFICE LOCATION 4

OPENING OF THE BUSINESS, DECOR, VEHICLES & MAINTENANCE 5

FRANCHISEE'S MANAGEMENT, TRAINING AND PRE-OPENING ASSISTANCE 6

OPERATIONS MANUAL 8

CONFIDENTIAL INFORMATION, RESTRICTIONS ON ENGAGING IN COMPETITIVE BUSINESSES 9

Scope 9
Source of Knowledge 9
Interest 9
Confidentiality 9
Copies 9
Public Information 9
Other Businesses 9

USE AND PROTECTION OF THE MARKS 11

SUPPLIERS, EQUIPMENT, SUPPLIES AND INVENTORY 12

OTHER OBLIGATIONS OF FRANCHISEE 13

ROYALTY, ADVERTISING AND OTHER FEES 15

RECORDS AND INSPECTION 18

INSURANCE 20

RELATIONSHIP OF THE PARTIES, INDEMNIFICATION 21

PLUMBING DOCTOR FRANCHISE AGREEMENT (04.15.17) 1

TRANSFER OF THE FRANCHISE 21

TRANSFER BY FRANCHISOR 25

FRANCHISOR'S RIGHT OF FIRST REFUSAL 25

DEFAULTS, CURES, TERMINATION, AND REMEDIES 27

DISPUTE RESOLUTION 32

Governing Law 32
Informal Resolution 32
Binding Arbitration 32
Jurisdiction, Venue, and Service 33
Attorney's Fees and Costs 33

FRANCHISOR DOES NOT WARRANT OR GUARANTEE SUCCESS OF BUSINESS 33

MODIFICATION OR AMENDMENT 33

NOTICES 33

CONSUMER PRICE INDEX ADJUSTMENT 34

HEIRS, SUCCESSORS, AND ASSIGNS 34

WAIVERS 34

SEVERABILITY 35

COUNTERPARTS 35

HEADINGS 35

MISCELLANEOUS 35

ACCORD AND SATISFACTION 36

OWNERSHIP AND AUTHORITY TO DEAL 36

JOINT AND SEVERAL LIABILITY 37

FRANCHISOR'S RIGHT TO ACT 37

ENTIRE AGREEMENT 37

This Page Intentionally Left Blank

PLUMBING DOCTOR®
FRANCHISE AGREEMENT

This Franchise Agreement is made and entered into at _____(address), this ___ day of _____, 20__, by and between **FAST AID SUCCESS SYSTEMS,** a California corporation, whose address is **955 Business Park Drive, Dixon California 95620,** hereinafter referred to as Franchisor, and

whose address is

hereinafter referred to as Franchisee, and who are collectively referred to herein as "the parties " This Franchise Agreement is made with reference to the following facts

RECITALS

A Franchisor is the owner of, or is otherwise licensed to use and is exclusively authorized to license businesses to use, certain trade dress and service marks, including the "Plumbing M D " word mark, the "Plumbing Doctor" word mark, the "Plumbing M D and design" marks, and the "stripe and cross" trade dress, all of these, and other marks the Franchisor may obtain for the use of Franchisee, are referred to herein as "the Marks"

B Franchisor licenses and has rights to a distinctive marketing concept and business format for a local plumbing service and repair and sewer and drain cleaning service business, it includes but is not limited to valuable designs, formats, procedures and practices used in the operation of such plumbing businesses, including vehicle, computer software use, marketing, design, training systems, distinctive inventory, and distinctive formats for color scheme, trade dress, and signs (the "Plumbing Doctor System")

C Franchisor grants franchises to use the Plumbing Doctor System to operate plumbing businesses in local Territories, and in connection therewith, grants licenses to use the Marks to identify the businesses These businesses are herein referred to as Plumbing Doctor Businesses

D Franchisee is an appropriately licensed and qualified person or entity and wishes to purchase a Plumbing Doctor franchise on the terms herein contained

E Franchisor is willing to grant a franchise to Franchisee to open a Plumbing Doctor

Business (the "Business") on the terms and conditions in this Agreement

WHEREFORE, in consideration for the mutual promises set forth herein, and based on the above recitals, representations, and purposes, the parties hereto agree as follows

AGREEMENT

1 GRANT OF FRANCHISE

1 1 Franchisor hereby grants to Franchisee a franchise to use the Plumbing Doctor System and the Marks solely in compliance with this Agreement and from the Business location set forth in Section 4

1 2 It is acknowledged as between the parties that Franchisor has the sole right to use and to grant licenses to others to use the Plumbing Doctor system and the Marks in the operation of any plumbing business Franchisee does not and shall not have or claim any rights in or to any of the Plumbing Doctor System or Marks other than as granted by this Agreement

2 INITIAL FRANCHISE FEE

2 1 Concurrently with the execution of this Agreement, Franchisee shall pay Franchisor an initial franchise fee in the sum of _____ Thousand _____ Hundred _____ Dollars ($___, _____ 00) Except as expressly provided in this Agreement, the initial franchise fee shall be deemed to be fully earned by Franchisor when paid, and is not refundable Even in cases where Franchisor, in its discretion, shall agree to finance a portion of the initial franchise fee, the entire initial franchise fee shall be deemed to have been earned and to be non-refundable from the execution of this Agreement

2 2 The size of a territory is determined by the population of the area

2 3 The above initial franchise fee is calculated as follows

(a) For a Territory in which the population is 150,000 or less, the initial fee is $20,000

(b) For a Territory in which the population exceeds 150,000, the initial fee as calculated under (a) above is increased by $100 per each two thousand additional people in the territory in excess of 150,000

(c) The population is determined by the U S Census Bureau and is based on the most recent figures at the time the Franchise Agreement is executed Population figures can be found at http //www census gov/

Population of Territory _____

3 TERM AND RENEWAL

3 1 The term of this Agreement is ten (10) years, beginning on the date this Agreement is executed by the parties unless sooner terminated or extended as provided herein The start date is the day immediately following completion of Franchisee's training

The Franchise will officially open and Franchisee will begin sending weekly reports for the week beginning on Monday, the _____ of _____ 20_____

3 2 Provided Franchisee is in complete compliance with this Agreement and the Operations Manual, Franchisee shall have the right to renew this Agreement for two (2) additional consecutive terms of ten (10) years each Franchisee shall notify Franchisor in writing of Franchisee's intent to renew not less than nine (9) months nor more than twelve (12) months before expiration of the initial or renewal term then in effect or within thirty (30) days after receipt of Franchisor's renewal offer in any case

3 3 Upon commencement of each renewal term, Franchisee shall pay Franchisor a renewal fee which shall not exceed the Consumer Price Index adjusted equivalent of today's One Thousand Dollars ($1,000 00) Consumer Price Index adjustments shall be calculated as per § 24 below

3 4 As conditions to each renewal, Franchisor may require the following

(a) At least thirty (30) days before expiration of the term, at Franchisor's election, Franchisee either signs a verification of renewal of this Agreement (or of the Franchise Agreement then in effect between the parties) or executes Franchisor's then-current form of Franchise Agreement which may contain terms materially different from those herein and which may include modified terms as appropriate for renewal Franchisees (e g , limitation of further renewals, no initial training, no initial franchise fee)

(b) Should Franchisor provide the then-current franchise agreement to Franchisee prior to the effective date of the renewal and Franchisee's failure to sign and return the agreement within thirty (30) days after receipt thereof, this shall constitute waiver of Franchisee's right to renew

(c) Franchisee refurbish and equip the vehicles as specified by Franchisor to meet Franchisor's then-current plans and specifications for new Plumbing Doctor franchises as of the date of Franchisor's renewal offer, if one is affirmatively made, otherwise as of ten month's prior to the renewal date

(d) Franchisee execute a general release in the form required by Franchisor releasing Franchisor and any of its owners, officers, affiliates and other related parties from any and all claims arising up to and through the expiration date of the initial term

3 5 The foregoing conditions on renewal shall also apply, but only to the extent allowable under applicable law, if any renewal not otherwise acceptable to Franchisor under the foregoing terms is mandated by any law, rule, regulation, statute, ordinance, order, or is otherwise required by operation of law

3 6 Termination of this Agreement for any reason shall terminate any and all remaining rights of renewal

3 7 If Franchisee continues to operate the Business without the express consent of Franchisor following expiration of the term of this Agreement or any renewal option, such continuation shall be construed as an extension of the term hereof only from month-to-month, terminable by either party on thirty (30) days notice to the other party Franchisor may extend the term for one or several months at a time in order to supply necessary or desirable notice to Franchisee

4 TERRITORIAL RIGHTS AND OFFICE LOCATION

4 1 Except as stated at 4 2 below, while this Agreement is binding, Franchisor will not establish nor grant to any other person a license to establish a Plumbing Doctor Business within Franchisee's "Exclusive Territory," as such Exclusive Territory is defined in section 4 5 below, incorporated herein by this reference

4 2 Franchisee shall have exclusive rights to the Territory for the full term of this agreement as long as franchisee is in full compliance of all terms and conditions of this agreement and any other agreement between the Franchisor and Franchisee, and this agreement has not been terminated or expired, and franchisee is meeting the minimum sales requirements as described in section 11 18 of this agreement "Exclusive" for the purposes of this section 4 2 means that Franchisor will not establish any other Plumbing Doctor company within the designated Territory, and Franchisor will not conduct any plumbing business within the Territory, except as stipulated in section 4 4 below

4 3 Franchisees are not prevented from soliciting, advertising or accepting business from any distance except that they may not service customers in another Plumbing Doctor franchisee's territory These same rules apply to franchises or company-owned units owned by Franchisor or any affiliate

4 4 If a customer located outside the boundaries of Franchisee's Territory desires to retain Franchisee to render authorized services at any time, Franchisee shall refer such customer to the Franchisee within whose territory such customer is located or to the Franchisor if it is operating a service center in such territory If neither the Franchisor nor another Plumbing Doctor Franchisee is conducting business in such territory, the Franchisee may render such authorized services to such customer The Franchisor shall have the right to adopt and implement policies and procedures prohibiting or strictly limiting Franchisee's conduct and solicitation of business and marketing activities outside of their exclusive Territory

4 5 The territory boundaries are determined by the current United States Postal Service zip code boundaries at the time the agreement is executed A territory is composed of contiguous zip codes in an area to be agreed upon by franchisor and franchisee Territory is defined as the area that is included in the zip codes listed below or on attached document

Territory Defined As _____

*List zip codes or state that they are included as an attached document and state document title

4 6 If the United States Postal Service adds or changes zip codes within the bounds of an existing territory the current franchisee maintains all area within the original bounds of the territory Therefore, the franchisee may attain additional zip codes if they are within the original service area If the United States Postal Service increases the area of a zip code or zip codes, franchisee may receive the additional area at the sole discretion of franchisor and only if there is not another franchisee or company owned outlet operating in that area

4 7 Subject to Section 4 10 below, Franchisee shall select his own office location, generally within the geographically central portion of his Exclusive Territory and always subject to Franchisor's approval, and shall, unless otherwise authorized by Franchisor in writing, operate the Business permitted under this Agreement from one location only, identified, if now possible, as follows

Street Address

_____

State _____ City _____ Zip _____

4 8 If the location is (or locations are) not set forth in Section 4 7 when this Agreement is signed, Franchisee shall attempt to identify a location for the Business acceptable to Franchisor typically located centrally within Franchisee's "Exclusive Territory "

4 9 Franchisee may enter into a lease for the, or any, Business location only upon receipt of written approval from Franchisor

4 10 Franchisee shall not open or own additional Plumbing Doctor offices outside his or her Exclusive Territory unless he or she executes the then-current Franchise Agreement and pays the then-current franchise fees for that territory

5 OPENING OF THE BUSINESS, DECOR, VEHICLES & MAINTENANCE

5 1 With Franchisor's approval, not to be unreasonably withheld after inspection, franchise operation can be conducted from franchisee's home or other space provided that adequate room and facilities are available

5 2 In order to present and maintain a uniform, professional image, the Franchisee shall

have and shall at all times during the terms of this Agreement maintain, at his sole expense, a vehicle for use in the Franchised Business The vehicle may be a truck, van, box van, or other style that is suitable to perform all necessary duties of the Franchise All vehicles used in the business to supply plumbing services shall be trade dressed, equipped, and maintained as provided in the Operations Manual, which specifies that all vehicles must appear to be a reasonable facsimile of an ambulance Some states and local governments may have laws or regulations restricting you from fashioning your vehicle to resemble an ambulance You are obligated to familiarize yourself with any such laws and abide by them Unless otherwise approved in writing by the Franchisor, the vehicle shall be white, shall be in excellent condition, and shall have the Plumbing Doctor logo, lettering and trade dress professionally applied prior to being put into service Vehicles with dents, broken windows, or poor paint jobs shall not be used The Franchisee shall maintain the interior, exterior and mechanical parts of such vehicle in good repair and shall regularly service and maintain such vehicle so as to keep it continually clean and in good working order Should changes in the Operations Manual vehicle standards necessitate substantial expenditures during the term of this Agreement, a reasonable time will be allowed for compliance

5 3 Franchisor reserves the right to develop and modify standards or requirements for a computer system, computer programs and/or point of sale system to be used in the Franchised Business, which may include designated or approved hardware and software components, provided that the cost of acquiring the designated system, program or components shall be reasonable If any proprietary system or program is adopted, Franchisor may require Franchisee to sign a license agreement to govern the use of the system or program Franchisee may be required to utilize electronic mail and other features available through Franchisor website and/or Intranet and maintain and use Equipment and Internet access sufficient to utilize the website and/or Intranet as prescribed by Franchisor Franchisee shall abide by any terms of use that apply to Franchisor's website or any Intranet Franchisor may develop Franchisor can require use of Internet service meeting certain standards or a designated Internet service provider Franchisor may modify its website or other on-line services, or adopt new ones and require Franchisee to use them and modify its Equipment and service providers as needed

5 4 Franchisee shall purchase all necessary tools, vehicles, signs, trade fixtures and equipment, opening inventory, and all other items specified by Franchisor in the Operations Manual as needed for the preparation of the Business for opening

5 5 Franchisee is prohibited from making any material alterations to the signs, painting or trade dress of the vehicles without prior written approval by Franchisor

6 FRANCHISEE'S MANAGEMENT, TRAINING AND PRE-OPENING ASSISTANCE

6 1 Each Plumbing Doctor business must be directed personally by a Business Manager, who shall have successfully completed Franchisor's training program The Business Manager is understood to be one individual who is in charge of the Franchise office In most cases the Business Manager is the Franchisee or one designated owner of a corporate, LLC or partnership Franchisee Where Franchisor permits a Franchisee to own more than one territory, the Franchisee himself, or designated owner of corporate, LLC or partnership Franchisee, shall manage at least one business, and each additional franchise must be operated by a Franchisee appointed Business Manager Except

as may be otherwise agreed in writing by Franchisor, the designated Business Manager has the authority to speak for and bind Franchisee in all matters pertaining to this Agreement, the Business and all other matters pertaining to this Franchise, and Franchisee so warrants Franchisee, and all of the members of an LLC, a partnership and/or all of the shareholders, directors, and officers of a corporate franchisee, further warrant to Franchisor that Franchisor may rely on such authority until such time as Franchisor is notified in writing by a majority of the partners, directors, or shareholders, as appropriate, of any change in the Business Manager or in his or her authority Nothing in this Section, or elsewhere, shall in any way be construed to lessen the responsibility or liability of any other members of an LLC, a partnership Franchisee, or the officers, directors, and/or shareholders of a corporate Franchisee, for compliance by Franchisee with the terms and conditions of this Agreement

Business Manager _____
*Name and title of the business manager

6 2 The trained and designated Business Manager must supervise all employees of the Business and keep the Business open to meet customer needs in accordance with service response standards set forth in the Operations Manual

6 3 Prior to the opening of a Plumbing Doctor Business, its Business Manager shall be trained by Franchisor If not previously accomplished, this training shall begin approximately one (1) to seven (7) weeks after signing the agreement and shall be completed at least one (1) week prior to opening for business The training will be conducted by Franchisor's representatives exclusively at, or, at Franchisor's option, primarily at, one or more existing Plumbing Doctor offices or other meeting place to be specified by Franchisor, Franchisee agrees that such training may be conducted, at Franchisor's discretion, partly on-site at Franchisee's Business at or about the time of opening This training lasts approximately thirty (30) hours, usually concentrated within a period of a few days Training may consist partly of uncompensated on-the-job experience The amount and content of training may change as we deem necessary Contents of training are covered in the FDD

6 4 Ongoing training and assistance Franchisee may request additional training, or Franchisor may require additional training of Franchisee if it deems it necessary If Franchisor agrees to provide additional training, it will be provided at Franchisee's expense at the per diem rate of $1000 and is subject to upward adjustment according to the Consumer Price Index The Franchisee will also be expected to pay for any travel expenses incurred during the training period

6 5 Training fees are charged at the trainer's per diem rate except as provided at 6 4 above and 6 10 below, and rates may be adjusted from time to time

6 6 The Franchisee shall bear its own travel, lodging, and all other personal expenses as well as those of any employee incurred in attending the training course If Franchisor must send a trainer to the franchisee's location or elsewhere away from Franchisor's headquarters, other than for training provided free, franchisee also must pay the trainer's air fare, hotel and other customary costs

6 7 If a person to whom training is offered fails to successfully complete training, the

franchisee is required to pay training fees per the above schedule to train a replacement person, assuming that is necessary or desired, regardless of whether the person failing was a paying or a free trainee

6 8 Where the proprietor and the day to day Business Manager of a franchised office are two different people, both must be trained by Franchisor Often this will mean that the franchisee must pay tuition for the training of a Business Manager who replaces the person initially trained for that position when the franchise was first acquired

6 9 Except as may be set forth above, none of the foregoing fees, expenses, or charges are or will be refundable

6 10 Franchisor may from time to time offer tuition-free refresher courses, seminars, conventions, meetings, and the like to all franchisees or, at Franchisor's discretion, to one or more specific franchisees who, in Franchisor's opinion, might benefit thereby If invited to such offerings, the franchisee must attend all such sessions, up to a maximum of one (1) per twelve month period All travel and living expenses incurred by the franchisee and/or employees of the franchisee in connection with such refresher courses, seminars, conventions, meetings, and so forth, are the responsibility of the franchisee

7 OPERATIONS MANUAL

7 1 Franchisor shall loan a copy of its Confidential Operating Manual ("Operations Manual") to Franchisee before or upon his successful completion of the initial training program for the term of this Agreement and any renewal period As the Operations Manual contains trade secrets of Franchisor, Franchisee shall keep and maintain its contents confidential and shall take reasonable precautions against disclosure of the information contained therein by employees and also to employees who have no need to know Franchisee shall operate the Business in strict accordance with the Operations Manual Franchisee is required to promptly return the complete Operations Manual and all modifications to Franchisor upon termination of or expiration of this agreement for any reason whatsoever Franchisee shall pay Franchisor a fee of Ten Thousand Dollars ($10,000) for each copy not returned, and Franchisee shall be liable to Franchisor for any damages suffered by Franchisor by reason of Franchisee's failure to return all copies of the Operations Manual

7 2 The Confidential Operations Manual may include any number of separate manuals with distinct titles, all of which will be considered part of and included in the Confidential Operations Manual The format of the Confidential Operations Manual may be in the form of hard paper, computer diskette, electronically downloaded directly or indirectly to Franchisee's computer or via another medium as chosen at the discretion of Franchisor Franchisee will maintain at its sole expense all computer system requirements and services needed to have access to the Confidential Operations Manual and any changes and updates as may be provided by Franchisor Any required purchases will not exceed a reasonable dollar amount as compared to industry standards

7 3 Franchisor has the right to modify the Operations Manual from time to time by the mailing or delivery to Franchisee of written updates Franchisee shall operate the Business in strict accordance with the Operations Manual as it shall be amended

7 4 Franchisee shall not at any time copy, duplicate, record or otherwise reproduce or transcribe the Operations Manual or any of the forms supplied by Franchisor hereunder without Franchisor's prior written consent

8 CONFIDENTIAL INFORMATION, RESTRICTIONS ON ENGAGING IN COMPETITIVE BUSINESSES

8 1 Scope Franchisor possesses confidential information consisting of methods for developing and operating Plumbing Doctor offices, contents of and methods for training new franchisees, knowledge of customer needs, concepts or results relating to services, operating methods, advertising programs, sources of goods and services, marketing techniques, formulas, formats, specifications, forms and procedures for operating Franchisor's Businesses All the foregoing are known as the "Trade Secrets "

8 2 Source of Knowledge Franchisor shall disclose certain Trade Secrets to Franchisee in lending Franchisee the Operations Manual and in providing standard plans for the Business, guidance and assistance, and in performing other obligations and exercising rights under this Agreement Franchisee acknowledges that Franchisee's knowledge of all material aspects of a Franchisor Business will come from Trade Secrets that Franchisor will disclose to Franchisee Franchisee acknowledges that the Trade Secrets are proprietary, confidential information of Franchisor, having economic value to Franchisor, in part because they are not known to the public, competitors or others

8 3 Interest Franchisee shall acquire no interest in the Trade Secrets, other than the right to use them in opening and operating the Business during the term of this Agreement

8 4 Confidentiality Franchisee shall maintain absolute confidentiality of the Trade Secrets during and after the term of this Agreement Franchisee shall not use any Trade Secrets in any manner not specifically authorized or approved in writing by Franchisor

8 5 Copies Franchisee shall not make any unauthorized copy of any Trade Secrets disclosed in writing (including but not limited to Franchisor's proprietary software, if any, written plans, the Operations Manual, bulletins or memos from Franchisor), nor shall Franchisee make any unauthorized copy of any proprietary computer software or Trade Secrets disclosed other than in writing which he or anyone else shall have put in computer readable form or in writing

8 6 Public Information The restrictions in this Article 8 on Franchisee's use and disclosure of Trade Secrets shall not apply to information that is or becomes generally known and used by other plumbing service and repair, sewer and drain cleaning companies, other than through disclosure (whether deliberate or not) by Franchisee

8 7 Other Businesses

(a) Franchisee acknowledges that Franchisor could not protect the Trade Secrets against unauthorized use or disclosure, could not readily assure compliance with this Article

8, and could not achieve a free exchange of ideas and information among Franchisor's Franchisees if Franchisee or any Covered Person held interests, as defined below, in any Competitive Business, as defined below

(b) The phrase "Competitive Business" means (i) any plumbing business which offers plumbing service and repair and sewer and drain cleaning, or (ii) any entity which is granting or intending to grant franchises or licenses to others to operate plumbing businesses

(c) The phrase "Covered Person" shall include (i) Franchisee, Franchisee's spouse(s) and each relative living in the same household as each such person, (ii) all directors, officers and holders of any direct or indirect beneficial interest constituting five percent (5%) or more of the securities of Franchisee, or of any LLC or corporation affiliated with or directly or indirectly controlling Franchisee, and the spouses and each relative living in the same household as each such person who is an individual, if Franchisee is a corporation, and (iii) the general partners and any limited partner, including any corporate holders of a beneficial interest constituting five percent (5%) or more of the securities of a corporation affiliated with or directly or indirectly controlling any corporate general or limited partner, and the spouses and each relative living in the same household as each such person who is an individual, if Franchisee is a partnership

(d) Accordingly, during the term of this Agreement and for two years after it terminates or expires without renewal neither Franchisee, nor any Covered Person, shall have any interest as an owner, investor, partner, lender, director, or in any other capacity in any Competitive Business Franchisee shall take all steps necessary to assure compliance with this provision by all Covered Persons Violation of this Section by any Covered Person shall, at Franchisor's election, constitute a material breach of this Agreement by Franchisee

(e) In every case where the above post-termination covenant not to compete in a Competitive Business is held, or agreed by the parties, to be unenforceable, Franchisee agrees to pay to Franchisor by way of liquidated damages for the right to engage in a Competitive Business (without selling or publishing any trade secrets of Franchisor) a sum equal to five percent (5%) of his previous two years' Gross Sales (not Adjusted Gross Sales), paid out in twenty-four (24) equal monthly installments

(f) The restrictions in Section 8 7(d) and (e) above shall not apply to ownership of (i) securities listed on a stock exchange or traded on the over the counter market that represent five percent (5%) or less of the number of shares of the class of securities issued and outstanding, (ii) other Franchisor's Businesses pursuant to franchise agreements with Franchisor, or (iii), if name and address are completed below at time of signing, the following pre-existing business and office owned or operated by Franchisee provided that Franchisee shall not use in such office any of the Franchisor's System, including but not limited to the Operations Manual, Trade Secrets or Franchisor's Marks

_____

(business name and office address)

(g) Each of the covenants in this Article 8 and each portion thereof shall be construed as independent of any other covenant or provision If all or any portion of a

covenant is unenforceable due to its scope in terms of geography, duration, or activity covered or otherwise, but could be enforced if reduced in scope, then the parties agree to be bound by any lesser covenant subsumed within the terms of such covenant imposing the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article 8

(h) Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant in this Section 8 7, or any portion thereof, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee shall be bound by the reduced scope

(i) If the franchise which is the subject of this Agreement is located outside California, the parties agree that the restrictions on engaging in competitive businesses outlined above in this Article 8 shall be judged by the law of the State in which the franchise is located, not by the law of the State of California, unless the law of such other state at the time when enforcement is sought is, in Franchisor's opinion, less favorable than is California's law to the position of Franchisor

9 USE AND PROTECTION OF THE MARKS

9 1 The Marks, commercial symbols, designs, and patents associated with the Plumbing Doctor business and set forth in this Agreement and the Operations Manual are licensed to Franchisee under this Agreement and must be used strictly in compliance with this Agreement, the Operations Manual, and all other directives of Franchisor related thereto

9 2 Franchisee shall immediately notify Franchisor of the facts concerning any claim of infringement resulting from Franchisee's use of any of the Marks, commercial symbols, designs or patents In any action or proceeding arising from or in connection with any such claim, demand, or suit, Franchisee agrees that Franchisor may select legal counsel and have the right to control the proceedings

9 3 Franchisor shall indemnify all damages for which Franchisee is held liable in any proceeding involving the Marks if Franchisee has used the Marks in strict accordance with this Agreement, promptly notified Franchisor of any claim against Franchisee's use of the Marks, and fully cooperates with Franchisor in any legal and/or administrative proceedings concerning the Marks

9 4 We have invested time, energy and money in the promotion and protection of the Trade Name and other Marks We do not intend to change them However, rights in intangible property such as the Trade Name and Marks are often difficult to establish and defend If it becomes advisable at any time in Franchisor's sole discretion, for Franchisor and/or Franchisee to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within a reasonable time after notice to Franchisee by Franchisor And Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Mark

9 5 Franchisor may require Franchisee to use one or more additional or alternative trademarks, service marks, logotypes, and/or other commercial symbols in connection with the operation of the Business and Franchisee shall bear the cost of using such additional items in accordance with Franchisor's directives

9 6 Franchisee shall not make an application for registration or other protection of any of the Marks, or any item or items similar thereto, without the prior written consent of Franchisor, and then only upon the terms and conditions specified by Franchisor in connection therewith Franchisee shall take no action which will interfere with the Marks, Franchisor's rights thereto, or the use thereof by Franchisor and authorized others Franchisee shall not contest Franchisor's ownership of, nor the legal validity of, the Marks, or any of them

10 SUPPLIERS, EQUIPMENT, SUPPLIES AND INVENTORY

10 1 Franchisee hereby authorizes Franchisor to contact Franchisee's suppliers from time to time and to obtain reports from them of the items and the quantities of those items purchased from the suppliers by Franchisee

10 2 Should Franchisor develop private-labeled merchandise for use and/or sale by Plumbing Doctor Businesses, Franchisee shall purchase, carry, and use in Franchisee's business a reasonable quantity of such items as may from time to time be specified by Franchisor Sale of items in this category by Franchisee shall be conducted from Franchisee's vehicles only and not by mass marketing or on a wholesale basis for resale by another except with Franchisor's written approval Franchisor reserves the exclusive right to control the wholesale distribution and mass marketing of items bearing any Franchisor name or mark

10 3 No goods or services, other than those set forth particularly or by classification in the Operations Manual or approved in writing by Franchisor, shall be used, sold, displayed, or otherwise employed in or in connection with the Business

10 4 Franchisee must purchase certain supplies in accordance with specifications or from approved suppliers as set forth in the Operations Manual

10 5 You must own or purchase a personal computer to run QuickBooks or Peachtree and Microsoft Office for accounting and other business functions The minimum system requirements for this are at least 1 GHz Intel Pentium III processor, or equivalent, running Windows XP and 256 MB of RAM for single user and 521 MB for multiple concurrent users if you wish to network two or more computers You are required to use QuickBooks Pro 2002 or newer or Peachtree Complete 2007 or newer and Microsoft Office 97 or 2003 You must also have a laser printer to print reports, documents, and invoices You must have high-speed internet access (DSL, Cable, T1 line or equivalent) and email We currently do not access your computer data remotely, but reserve the right to in the future

You may purchase your hardware and software at any computer retailer or vendor of your choosing Software may be purchase directly from the manufacturers as well

QuickBooks – Intuit Corp
2632 Marine Way
Mountain View, CA 94043
(888) 729-1996
www quickbooks com

Microsoft Office – Microsoft Corp
One Microsoft Way
Redmond, WA 98052
(800) MICROSOFT
www microsoft com

Peachtree – Sage North America
1715 North Brown Road
Lawrenceville, GA 30043
(877) 495-9904
www peachtree com

10 6 Franchisor reserves the right to add additional authorized services that Franchisee will be required to offer There are no limits on Franchisor's right to do so, except that the services shall pertain generally to plumbing services and the related investment required of you (for equipment, supplies and initial inventory) shall not exceed what is reasonable given the nature of the business

11 OTHER OBLIGATIONS OF FRANCHISEE

11 1 Franchisee shall sell the goods and services that Franchisor designates in the Operations Manual Such required services presently include all household and business emergency and regular plumbing repairs, sewer and drain pipe cleaning, and plumbing installations

11 2 Franchisee shall provide levels of customer service which are satisfactory in accordance with Operations Manual standards

11 3 To provide adequate customer service levels it may be necessary from time to time for Franchisee to upgrade and/or add equipment An example of this is computer hardware and software The cost for upgrades will not exceed what is reasonable given the nature of the business, and Franchisee will be given sufficient time to acquire large purchases

11 4 Franchisee shall cooperate with any and all evaluation programs that Franchisor may implement

11 5 Franchisee shall be and remain the principal manager of the Business, and shall personally, actively and substantially participate in the actual supervision of the franchise unless Franchisor otherwise agrees in writing Franchisor shall so consent in cases where it allows a franchisee, who remains the principal manager of at least one Business, to obtain more than one franchise territory while installing a trained Business Manager to direct each other owned franchise The franchisee must work diligently, fairly and in good faith and perform all the obligations of the Franchise Agreement and shall use its best efforts to produce the maximum volume of sales in a manner consistent with the terms of this Agreement and devote an amount of time to the Business adequate for this purpose

11 6 Franchisee shall hire and satisfactorily train sufficient numbers of personnel to adequately handle the business of the Franchise and to provide courteous and capable assistance to Franchisee's customers in the manner as may be set forth in the Operations Manual Franchisee shall use its best efforts to insure that Franchisee's personnel maintain standards of appearance, cleanliness, and demeanor as may be specified by Franchisor, and shall employ standards which will enhance the conduct and image of the Business In order to present a neat and clean appearance, the Franchisee shall wear and shall cause each of its employees to wear, a uniform prescribed by the Franchisor as outlined in the Operations Manual

11 7 Franchisee shall operate the business continuously on such days and during such minimum hours as Franchisor by its Operations Manual may direct In addition, Franchisee shall offer emergency service as required by the Operations Manual (The Operations Manual currently

provides that the Business offer service to customers from 8 a m to 5 p m weekdays Night, weekend and holiday service as well as emergency service hours of operation are optional and up to the Franchisee)

11 8 If Franchisor changes its specifications for any items employed in the office, including but not limited to equipment and supplies, the franchisee shall comply with the revised specifications, provided that the cost is within reason for the plumbing service industry, and that franchisee is given a reasonable time to exhaust its inventory of the previously specified items

11 9 Franchisee shall obtain and maintain at its expense all licenses and permits necessary for the operation of the business The franchisee shall comply immediately with any and all orders, laws, regulations, rules, and directives of any federal, state, county or municipal authorities with regard to the business and shall immediately notify Franchisor of legal requirements or developments affecting the business and of any government orders, the reasons therefore, and the corrective action taken or to be taken by the franchisee

11 10 Franchisee shall pay all taxes, liens, assessments, costs, expenses, debts, salaries, accounts, liabilities, charges, duties, imposts, premiums, fees, damages, and any and all other outlays or responsibilities involving the payment of money or performance of every other nature incurred in, related to, or resulting in any way from, the construction, maintenance, operation and/or discontinuance of the business

11 11 Franchisee shall, upon notice from Franchisor, immediately correct any defects, deficiencies, or unsatisfactory conditions in the appearance or conduct of the Business or vehicles, or in the franchisee's compliance with the terms of the Franchise Agreement The franchisee shall establish and maintain an image and reputation for the office consistent with the standards set forth in the Franchise Agreement, the Operations Manual, and as otherwise specified by Franchisor

11 12 Franchisee shall execute and have its employees execute any trade secret agreement deemed necessary by Franchisor to protect Franchisor's licensed trademarks, trade names, service marks, commercial symbols, or trade secrets

11 13 Prices to be charged to customers of Franchisee for Plumbing Doctor services and merchandise are strictly up to Franchisee, although products and services, to be offered customers, are not If Franchisor suggests prices to Franchisee from time to time, Franchisee is under no obligation to adhere to such suggestions Franchisee shall be required to use the "Flat Rate Menu Pricing System" as explained in the Operations Manual Franchisor will provide to Franchisee a total of three identical "Flat Rate Pricing Menus" prior to the start of business at no cost to Franchisee Franchisee shall pay Franchisor for any additional or new "Flat Rate Pricing Menus " Franchisor will provide Franchisee with all "Flat Rate Pricing Menus" at cost

11 14 Franchisee shall conduct all advertising and promotional activities in accordance with the Operations Manual or as otherwise communicated to Franchisee Franchisee shall submit to Franchisor prior to use copies of all advertising, promotional, and public relations programs and/or material proposed to be used by Franchisee, along with a description of how such material is proposed to be used, by what media published, and such other information as may be requested by

Franchisor Franchisee shall not use any such material without the prior written consent of Franchisor, and then only in the way and by the means so approved Franchisor has complete and absolute discretion in deciding whether to approve Franchisee's advertising, promotional, and public relations material and all matters connected therewith

11 15 Franchisee shall call his business by no name not sanctioned by Franchisor, and use the trademark and logo, in all its literature

Business Name _____

DBA _____

11 16 Franchisee shall ensure by all means set forth in the Operations Manual that all customers understand that each Plumbing Doctor business is independently owned

11 17 During the term of this Agreement, any renewals or extensions hereof, and within one (l) year thereafter, Franchisee shall not, directly or indirectly, or with any person or entity (a) divert or attempt to divert any business or customer of the Business to any competitor, whether by direct or indirect inducement or otherwise, (b) without the advance agreement of the employer involved, employ or seek to employ any person who is then employed by Franchisor or by any office within Franchisor's System not owned and operated by Franchisee, or otherwise directly or indirectly induce or seek to induce any such person to leave his or her employ, or (c) induce, or seek to persuade, any other Franchisee to breach his or her agreements with Franchisor

11 18 Minimum Sales Performance Standards Franchisee shall achieve a revenue level of at least two dollars ($2 00) per capita within five years after the date of this agreement If Franchisee fails to meet the Minimum Sales Performance Standards, Franchisor shall have the right, by giving notice to Franchisee, to declare that Franchisee's Territory will no longer be exclusive The minimum sales requirement will be adjusted to reflect the Consumer Price Index

11 19 Franchisee's use of this Agreement as security for a loan or other similar encumbrance is prohibited, unless Franchisor specifically consents to any such action in writing prior to the proposed transaction Franchisee shall not purport to grant a subfranchise under this Agreement nor seek to franchise, license, or permit others to use this franchise or any of the rights, assets, or property derived by or licensed to Franchisee under this Agreement All such actions are expressly prohibited

12 ROYALTY, ADVERTISING AND OTHER FEES

12 1 Franchisee shall pay Franchisor royalties for its use of the Plumbing Doctor System during the term of this Agreement, which is the greater of Five Percent (5%) of Adjusted Gross Sales or $125 per week, which is adjusted upward to reflect the Consumer Price Index The royalty fee shall be paid on or before Wednesday of each week with respect to Adjusted Gross Sales for the immediately preceding calendar week Franchisee shall make such payments to Franchisor directly or by electronic or wire transfer to Franchisor's specified bank account Your obligation to pay the ongoing royalty fee begins on the start date as defined in Section 3 1 of this agreement

12 2 (a) Franchisor does not presently charge or collect an advertising fee but reserves the right in the future to do so If Franchisor in the future should institute such a fee, Franchisee shall pay Franchisor for the development of advertising concepts and materials and for the general marketing and advertising support of franchisees, spent as Franchisor in its discretion shall determine during the term of this Agreement a weekly advertising fee not to exceed two percent (2%) of franchisee's Gross Sales (not Adjusted Gross Sales) during the preceding week In such event, Franchisee shall make payments to Franchisor directly or by electronic or wire transfer to Franchisor's specified bank account weekly by Wednesday of the week immediately following based on Gross Sales for the previous calendar week

(b) Franchisor shall direct and approve all advertising programs with sole discretion over the creative concepts, materials and media used in such programs and the placement and allocation thereof Franchisor cannot and does not ensure that any particular Franchisee benefits directly or pro rata from the placement of advertising Franchisee shall not have the right to withhold or offset any payment to the Fund based on Franchisee's dislike of the content of the programs or the media or market areas in which they appear

(c) Franchisor shall, for each of its Franchisor-owned or affiliated businesses, if any, make contributions to the Fund equivalent to the contributions required of Franchised Businesses within the System

(d) The funds may be used to meet any and all costs of creating, producing, maintaining, administering, directing, approving and conducting advertising, marketing and promotional activities and materials (including, without limitation television, radio, magazine and newspaper advertising campaigns and other public relations activities, point of purchase and promotional materials and the employment of outside agencies) All sums paid by Franchisee to the Fund shall be maintained in a separate account from the other funds of Franchisor and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable administrative costs and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Fund and advertising programs including, without limitation, conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Fund

(e) Although Franchisor intends the Fund to be of perpetual duration, Franchisor maintains the right to terminate the Fund The Fund shall not be terminated, however, until all money in the Fund has been expended for advertising and promotional purposes

(f) An annual accounting of the operation of the Fund shall be made available to Franchisee upon request This accounting need not be prepared or audited by an independent certified public accountant, but if in its discretion Franchisor retains an independent certified public accountant for this purpose, the resulting fees and costs shall be borne by the Fund

(g) Once contributions to the Fund are made by Franchisee, all such money shall be used as herein required and shall not be returned to Franchisee

12 3 In addition to the above described advertising fee, if any, Franchisee shall spend on

the advertising and promotion of his or her Plumbing Doctor business what is necessary to comply with the local advertising requirements as set forth in the Operations Manual Presently, such standards recommend Franchisee to spend annually 5-10% on advertising Franchisee is required to spend a minimum of $1000 on pre-opening marketing in addition to the required Yellow Pages advertising Franchisor recommends that Franchisee spend annually at least four percent (4%) to seven percent (7%) of Net Sales on local marketing Any contribution to an Advertising Fund would be applied to offset this recommendation

12 4 Franchisor has the right to audit Franchisee's books and records, including computer records, and to review Franchisee's business practices, at any time specified by Franchisor during Franchisee's normal business hours If such an audit reveals an understatement in an amount of three percent (3%) or more of any month's reported Gross Sales, the franchisee immediately must pay, in addition to any other sums becoming due by reason of the under-reporting, the costs of the audit, including any costs and expenses incurred in connection therewith by Franchisor's employees, its accountants, or any others for whom Franchisor has expended money in connection with the audit

12 5 The term "Gross Sales" means all sales and receipts from whatever source received, whether in cash or on credit, including all sales and receipts from whatever source derived, whether in cash or on credit, and whether or not made from the office, including but not limited to the gross amount received from all client fees, merchandise sales, consultation services, service sales, incidental sales, and the like Credit transactions are deemed made when the transaction giving rise to the extension of credit occurs and not when payment is made or title to the goods passes Credit card and other credit transactions result in Gross Sales in the full amount of the purchase by the customer without any deduction for bad debts, uncollectible accounts, or credit card fees and charges Gross Sales are expected to bear a consistent and close relationship to customer billings, the reporting of which likewise is required Gross Sales shall not include any of the following

(a) the selling price of any services, goods, or merchandise, the refund of which by franchisee to the customer is documented in accordance with the Operations Manual, An exchange of merchandise or services shall result in an exclusion from "Gross Sales" only to the extent of any accompanying credit, discount, refund, or other allowance,

(b) Merchandise returned by Franchisee to its source for credit or other allowance,

(c) Amounts or credits received on claims for loss or damage to merchandise or other assets,

(d) Sales and/or use taxes, or other similar taxes determined and/or imposed on the sale of merchandise or services by a governmental entity, but only to the extent that such taxes are added to the selling price of such merchandise or services and are separately stated to and collected from customers,

(e) Sales of trade fixtures or similar property not constituting merchandise of the Business

To the extent that any of the foregoing excluded items was included in a report of Gross

Sales, such item or items can be deducted from an amended report of Gross Sales pertaining to the period within which the exempted transaction occurred or from the report of Gross Sales for the period within which its erroneous inclusion in the prior statement was discovered Any such exemptions shall be separately stated and shown on reports of Gross Sales

12 6 Any amounts Franchisee owes to Franchisor, if past due, shall bear interest at the highest lawful rate on loans between businesses allowed by applicable law, or eighteen percent (18%) whichever is less

12 7 If a customer of Franchisee complains to Franchisor that Franchisee's services were deficient and Franchisor determines after discussion with Franchisee that there is merit to the customer's complaint, Franchisor reserves the right to perform or cause to be performed such services to the customer's reasonable satisfaction or to reimburse the customer for any money the customer may have paid for such services upon written notice to Franchisee if Franchisee does not do so itself In such event, Franchisee shall promptly reimburse Franchisor for any costs incurred by Franchisor to perform or have performed such services or for such payment made by Franchisor to the customer upon receipt of an invoice from Franchisor

12 8 Franchisor in the future may offer additional specific services to some or all franchisees, in areas such as accounting services, payroll services, various personnel-related services and/or dispatching, inventory control, etc , Franchisee shall be permitted but not required, during the initial term of this Agreement, to purchase available services from Franchisor

13 RECORDS AND INSPECTION

13 1 Franchisee shall keep and maintain accurate books, records, accounts, tax returns, and all back-up material related to the operation of the Business, including computer back-up records, and Franchisee shall submit records to Franchisor in accordance with the requirements and specifications set forth by Franchisor in the Operations Manual All books and records shall be kept in accordance with generally accepted accounting principles except to the extent variations from those principles are authorized in writing by Franchisor, and they also shall be kept in accordance with format and other requirements of the Operations Manual, as it exists and from time to time be amended

13 2 Franchisee shall make available to Franchisor's representatives any information, reports, accounts, books, records, orders, receipts, statements, customer data, and such other information requested by Franchisor, including, in such form or forms as Franchisor may request, the complete computer records of all data gathered and all business transactions conducted and including information in the possession of third parties employed or engaged by Franchisee, not limited to phone answering services, bookkeepers, and others

13 3 Franchisor shall send a representative or representatives to visit the Business at such times as Franchisor may determine in its sole and absolute discretion Franchisee, its Designee, and any other employee shall be present during such visits if requested by Franchisor upon prior notice of such visits, and cooperate fully with Franchisor's personnel during such visits Franchisee shall make available to Franchisor's representatives any information, reports, accounts, books, records,

orders, receipts, statements, and such other information requested by Franchisor, and shall allow Franchisor to access Franchisee's computers and computer records Franchisee shall allow Franchisor's representatives to ride along with Franchisee on service calls and to observe Franchisee's work and interactions with customers Such visits shall be during Franchisee's normal business hours and will take place at the Business unless the parties agree otherwise Representatives of Franchisor shall have the right to visit, inspect, observe, and report to Franchisor on the operation of the Business, with or without notice to Franchisee, at such times, with such frequency, and for such durations as may be determined solely in the discretion of Franchisor

13 4 Franchisee shall provide Franchisor a quarterly balance sheet and profit and loss statement in the form prescribed by Franchisor within thirty (30) days after the end of the quarter Franchisee shall also provide Franchisor an annual balance sheet and profit and loss statement within thirty (30) days after the end of Franchisee's fiscal year If Franchisee under-reports Gross Sales, Franchisor, in addition to its other remedies, may require Franchisee to submit such statements on an audited basis until Franchisor releases Franchisee from that requirement Franchisee shall also provide Franchisor copies of Franchisee's state and local sales tax returns and federal and state income tax returns promptly upon their filing, but only those sections which relate to the Gross Sales of the Business Franchisee shall provide such other, additional, and/or different reports as may be required by Franchisor from time to time at such times and in such formats as may be specified by Franchisor

13 5 When franchise and, if applicable, advertising fees are due, Franchisee shall provide a statement of Gross Sales for the calendar week concluded, which statement must be certified as correct by Franchisee and in the format specified in the Operations Manual Franchisee shall also provide Franchisor such other financial statements and information, at such times and in such formats as may be specified by Franchisor from time to time

13 6 Franchisee shall record all sales in the sales recording system specified or otherwise approved in writing by Franchisor and shall also record all billings and receipts in the computer and elsewhere as provided in the Operations Manual Franchisee shall purchase and use the computerized system specified by Franchisor to record and report on Franchisee's sales, inventory, purchases, expenditures, and/or such other matters as may be specified from time to time by Franchisor Franchisee shall retain all charge account records, sale slips, merchandise orders, return vouchers, tax returns, sales tax reports, and all of Franchisee's other business records and related back-up material for at least seven (7) years following the end of the year to which the items pertain and to make such items available to Franchisor's representatives for inspection, examination, auditing, and/or copying upon reasonable notice from Franchisor

13 7 Franchisee shall maintain trade accounts on a current basis both with Franchisor and with any other contractors, suppliers, or others from whom Franchisee obtains goods and/or services, and with customers

13 8 Franchisor shall have the right to audit Franchisee's books and records at any time during Franchisee's normal business hours If an audit reveals an understatement of any week's reported Gross Sales in an amount of three percent (3%) or more, Franchisee shall immediately pay, in addition to any other sums becoming due by reason of the understatement, the costs of the audit

including any costs and expenses incurred in connection therewith by Franchisor Should any audit disclose the intentional under-reporting of Gross Sales in any amount, or an under-reporting of Gross Sales in excess of three percent (3%) in any calendar quarter or year, Franchisor may terminate this Agreement in addition to any other rights and remedies Franchisor has under this Agreement or applicable law

14 INSURANCE

14 1 Franchisee shall name Franchisor, Franchisor's officers, directors, shareholders and employees as co-insureds and shall furnish Franchisor with duplicate policies and certificates of insurance for the coverages hereinafter specified All such insurance shall be in a form and with insurers acceptable to Franchisor Such policy or policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in Best's Key Rating Guide in accordance with standards and specifications set forth in the Confidential Operations Manual or otherwise in writing All policies of insurance required to be maintained by Franchisee hereunder shall be renewed, and evidence of such renewal, together with proof of payment of premiums, shall be delivered to Franchisor at least thirty (30) days prior to the expiration date of such policies All policies shall contain a clause requiring that, if the policy is terminated by either party for any reason, thirty (30) days prior to the date of termination the insurer must provide Franchisor and all other co-insureds with written notice of termination The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance that may be maintained by Franchisor

14 2 Prior to the commencement of operations under this Agreement the Franchisee shall procure, and shall maintain in full force during the term of this Agreement, at the Franchisee's expense, all forms of insurance that may be required by statute or rule of the state in which the Franchised Business is located, including, but not limited to

a) Workers' compensation and employer's liability insurance as prescribed by state law,

b) Public liability insurance to protect against injury to property or person caused in the operation of the Franchised Business in the minimum aggregate amount of $1,000,000, and

c) Motor vehicle liability insurance covering each and every vehicle operated by or on behalf of the Franchised Business in the minimum amount of $1,000,000, and

d) Business interruption insurance

14 3 Franchisees and Franchisor will share information about insurance availability and prices for the benefit of each other and the franchise system

14 4 Franchisor may, from time to time, in its discretion, adjust the limits of coverage set forth herein

14 5 Should Franchisee, for any reason, not procure and maintain such insurance coverage

as required by this Agreement, Franchisor shall have the right and authority but not the obligation to immediately procure such insurance coverage and to charge same to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice

15 RELATIONSHIP OF THE PARTIES, INDEMNIFICATION

15 1 Franchisee is and shall be an independent contractor and nothing herein contained shall be construed so as to create an agency relationship, a partnership or joint venture between Franchisee and Franchisor Neither party shall act as agent for the other Neither party shall guarantee the obligations of any other or in any way become obligated for the debts or expenses of any other unless agreed to in writing Franchisor shall not have any ownership or equity interest in Franchisee (though shareholders in Franchisor, acting in their individual capacities, are not so prohibited) Franchisor shall not regulate the hiring or firing of Franchisee's employees, the prices charged by Franchisee, the details of the work performed by Franchisee or its employees or the working conditions of Franchisee's employees, except to the extent necessary to protect the Marks and goodwill associated therewith The conduct of Franchisee's business shall be determined by its own judgment and discretion, subject only to the provisions of this Agreement and the Operations Manual or other manuals as they may be adopted or revised from time to time Franchisee shall post promptly and maintain any signs or notices specified by Franchisor or by applicable law indicating the status of the parties as described in this Section

15 2 Franchisee shall defend, indemnify, and hold harmless Franchisor, and its officers, directors, shareholders, agents, and employees from and against any and all losses, liabilities, damages, costs, and expenses, including attorneys' fees and court costs, resulting directly or indirectly from, or in any way pertaining to, the design, construction, fixturing, decorating, stocking, use, occupancy, maintenance, repair, conduct, operation, sales, policies, procedures, practices, actions, hiring, personnel policies, or any other activities, including intentional acts and negligence, of Franchisee, its agents, officers, directors, partners, shareholders, employees, or any others with whose conduct Franchisee is chargeable Further, Franchisee shall indemnify and hold Franchisor harmless from and against all loss, damage, cost, and expense, including attorneys' fees and court costs, arising from or in any way connected to Franchisee's representations made in connection with this Agreement and the performance or lack of performance of Franchisee's obligations under this Agreement

16 TRANSFER OF THE FRANCHISE

16 1 If Franchisee purports to transfer this Agreement or ownership in Franchise, in whole or in part, or any of Franchisee's rights hereunder, or any material portion of any of the real or personal property used by Franchisee in connection herewith, without the prior written consent of Franchisor, such action shall constitute a material breach of this Agreement and shall be void This Section applies to the transfer or issuance of shares in, or the merger, consolidation, or other restructuring of a corporate franchisee, and the addition or transfer of any partnership interest in a partnership franchisee, and the addition or transfer of any member interest in an LLC Franchisee shall ensure that Franchisor's approval is a condition of any agreement by Franchisee to transfer the

franchise

16 2 Franchisee shall provide Franchisor written notice of any proposed transfer within the scope of 16 1 above and shall comply with the provisions of Section 18 below, which concerns Franchisor's right of first refusal

16 3 Included with Franchisee's notice of proposed transfer, unless exempted, shall be Franchisee's non-refundable application fee of $500 00 to Franchisor The $500 00 application fee will be credited toward the transfer fee where applicable, if the transferee is approved, otherwise forfeited to defray Franchisor's expenses in connection with processing the application The application fee is subject to upward adjustment by any change in the Consumer Price Index specified in this Agreement between its date and the date of the transfer

16 4 Subject to Franchisor's rights of first refusal described at Section 18, Franchisee may transfer or assign any rights under this Agreement upon written consent of Franchisor, except that Franchisor shall not withhold consent where transferee or assignee is qualified under franchisor's then-existing standards for the approval of new or renewing franchisees Franchisor may condition transfer on such factors as

(a) Franchisor's satisfaction that the proposed transferee meets (and that its officers or partners, if any, meet) the character, business experience, credit rating, financial strength, and other standards, criteria, and qualifications then being sought by Franchisor from new and other transferee franchisees with due regard to the business potential of the unit, Franchisor may withhold consent if it believes in its sole discretion that the number or quality of unit to be transferred or the sales price proposed or the terms of payment to Franchisee by the prospective transferee are such that successful operation of the Business by the transferee might be unreasonably doubtful,

(b) full payment of all Franchisee's outstanding debts,

(c) execution of a general release of all claims against Franchisor and its agents by Franchisee (or the transferor, if different) upon the transfer of Franchisee's (or the transferor's) entire interest in this Agreement, or a material portion thereof,

(d) execution by Franchisee of a written acknowledgment that its confidentiality and non-competition covenants, and their application to all covered persons, shall survive any assignment and remain effective as though the assignment had not occurred,

(e) the Seller/transferor's granting in favor of Buyer/transferee and his successors a written agreement not to compete in the plumbing business for two years and within fifty (50) miles of the territory or within twenty (20) miles of any other Plumbing Doctor Business then in existence or then granted to be opened, or for a longer time or greater territory should the parties so agree and Franchisor not disapprove after notice,

(f) the Buyer/transferee's covenant to Franchisor to enforce, and not to waive, the aforesaid covenant not to compete given him by Seller/transferor,

(g) the transferee's execution of the then-current form of the Franchise Agreement, If the then-current Franchise Agreement is required to be signed by the transferee, no new initial franchise fee will be required and the term of the franchise will be that remaining under this Agreement

(h) payment by Franchisee of the application fee, as described at 16 3 above,

(i) payment by Franchisee of the transfer fee, as described, in the ordinary case, below at 16 5,

(j) paid attendance and completion pursuant to Section 6 above by transferee, and employees to whom applicable, to Franchisor's satisfaction, of Franchisor training courses, If the transferee will replace the Designee, the transferee must satisfactorily complete the training course before Franchisor will approve the transfer If transferee fails to satisfactorily complete the training course, the transfer fee shall still be due and payable and is otherwise not refundable If transfer of the Business, or an interest in the franchise or franchisee, is allowed by Franchisor prior to the completion of the training course by the transferee, Franchisee shall operate the Business for the account of the transferee while the transferee is attending Franchisor's training course,

(k) execution by the Franchisee and the transferee of such transfer documents as Franchisor may require, including personal guarantees, Franchisee agrees to guarantee the obligations of his or her transferee under the Franchise Agreement signed by the transferee unless relieved of this liability in writing by Franchisor, and

(l) Franchisee's good standing for compliance with this Agreement and the Operations Manual prior to and pending the proposed transfer, including cure of all curable defaults and noncompliance Under no conditions will uncured or incurable noncompliance be excused, even following the death or incapacity of Franchisee

16 5 If the transfer will result in the cumulative transfer of over fifty percent of the interests of either the original franchisee or franchisees or of the then franchisee or franchisees, a transfer fee is due upon completion of the transfer of the franchise The transfer fee is equal to $5,000 00, adjusted upwards for changes in the Consumer Price Index, or ten percent of the total purchase price paid by the assignee The Franchisee acknowledges that this sum is fairly due Franchisor for its contribution to the value of the business and is reasonably required to reimburse the Franchisor for its expenses relating to said assignment

16 6 Franchisee's interest in this Agreement is transferable by will or by intestate succession upon franchisee's death, and this includes the interest of a partner in a partnership or the stock ownership of a shareholder in a corporation which owns Franchisee If Franchisee or a shareholder or partner in Franchisee is determined by a court of competent jurisdiction to be legally incompetent, the guardian of the concerned person who is appointed by the court may transfer the interest of the incompetent to the extent allowed by law Franchisee's interest in this Agreement, including the interest of a partner in a partnership or the stock ownership of a shareholder in a corporation which

owns Franchisee, also is transferable during lifetime to a spouse or adult child of the transferor However, all such transfers are subject to Franchisor's conditions and requirements regarding transfers as set forth herein, including, but not limited to, application, approval by Franchisor, payment of the application, transfer, and training fees, the transferee's execution of the then-current Franchise Agreement, and to Franchisor's rights of first refusal where applicable However, if the transfer is to a named beneficiary or to the spouse or an adult child of the individual, transfer fees are not payable

16 7 If Franchisor does not approve a potential transferee who proposes to take this franchise as a beneficiary under Franchisee's will or by intestate succession, Franchisee's estate may sell the franchise to a third party transferee who is acceptable to Franchisor, provided that the sale and transfer take place within six (6) months after the death or declaration of incapacity and subject to the terms of transfer herein, including Franchisor first refusal rights, which shall apply If an approved transfer of this Agreement is not completed within said six (6) months, Franchisor has the right to terminate this Agreement During any period following the death or declaration of incapacity of Franchisee, Franchisee's estate must comply with the terms and conditions of this Agreement Under no conditions will such compliance be excused or reduced because of the death or incapacity of Franchisee

16 8 The transfer of this franchise upon written notice by an individual or partnership to a corporation or LLC wholly-owned by the preexisting owner or all preexisting owners of this franchise shall not require Franchisor's approval nor the payment of the application or transfer fees However, the transferring owner or owners must agree to remain personally responsible to Franchisor for the corporate franchisee's performance of the terms and conditions of this Agreement The absence of any additional written agreements and/or guarantees concerning the transfer will not affect the continuing liability of the transferring owner or owners of this franchise for the obligations of the corporate franchisee Franchisor may impose similar requirements on any proposed transfer of this franchise to a trust

16 9 If the transfer is an assignment of the franchise by an individual to a corporation or an LLC in which the Franchisee is, and so long as he remains, the majority stockholder and the officer responsible for the full-time personal operation and supervision of the franchise, and the transfer does not result in the cumulative transfer of over Fifty Percent (50%) of the interest or interests of the original owner or owners, the $500 00 application fee, but no transfer fee is charged However, Franchisor requires that the transferor, or transferors and each of them, personally guarantee all obligations of the franchise The $500 00 fee is subject to upward adjustment according to the Consumer Price Index

16 10 If a proposed transfer is among only existing shareholders of a corporate franchisee, only existing members of an LLC, or among only existing partners of a partnership franchisee, Franchisor shall charge the application fee and shall not exercise its right of first refusal in connection therewith If no shareholders or partners leave the entity owning the franchise, no transfer fee shall be due, if one or more shareholders or partners leave the owning entity, the transfer fee, in addition to the application fee, charged by Franchisor shall not exceed the greater of $1000 00 or four percent (4%) of the franchisee's highest monthly Gross Sales within the past three months, whichever is higher In the circumstance where one or more partners or shareholder leave, the

remaining shareholders and/or partners must demonstrate their qualifications to operate the franchise in terms of Franchisor's then-current standards for new franchisees Franchisor may also charge the then current training fee, if Franchisor, in its sole discretion, deems training necessary An outgoing partner or shareholder remains liable to Franchisor for performance of all obligations under this Agreement, unless released by Franchisor in writing

16 11 Involuntary transfers of this Agreement or the assets of the franchised business, such as by legal process, are not permitted, are not binding on Franchisor, and are grounds for the termination of this Agreement

16 12 If a court of competent jurisdiction as a part of a divorce, dissolution, legal separation, or other proceeding, orders Franchisee to transfer to his or her spouse all or any part of Franchisee's interest in this Agreement and/or in a material portion of the real and/or personal property used in connection with the Business, such an order will constitute a transfer of this Agreement and will cause the transferee to be subject to all terms concerning transfers set forth above However, if both spouses are franchisees under this Agreement, such a transfer will not be subject to the transfer requirements herein, unless the spouse to whom this Agreement or the concerned property is being transferred is not actively engaged in the operation of the Business, in which case Franchisor can declare that the transfer is subject to all transfer terms of this Agreement

17 TRANSFER BY FRANCHISOR

Franchisor may sell, assign, or otherwise transfer its rights in and to this Agreement in whole or in part without the prior consent of Franchisee In the event of any such transfer, Franchisor shall be released from any liability under this Agreement for the obligations transferred

18 FRANCHISOR'S RIGHT OF FIRST REFUSAL

18 1 Franchisee shall, prior to the sale, assignment, or transfer of a franchise, all or substantially all of the assets of a franchise business, or a controlling or noncontrolling interest in the franchise business, to another person, notify Franchisor, of Franchisee's intent to sell, transfer, or assign the franchise, all or substantially all of the assets of the franchise business, or the controlling or noncontrolling interest in the franchise business The notice shall be in writing, delivered to Franchisor by business courier or by receipted mail and include all of the following

(1) The proposed transferee's name and address

(2) A copy of all agreements related to the sale, assignment, or transfer of the franchise, the assets of the franchise business, or the interest in the franchise business

(3) The proposed transferee's application for approval to become the successor franchisee The application shall include all forms, financial disclosures, and related information generally utilized by Franchisor in reviewing prospective new franchisees, if those forms are readily made available to the Franchisee If the forms are not readily available, Franchisee shall request and the Franchisor shall deliver the forms to Franchisee by business courier or receipted mail within 15 calendar days As soon as practicable after the receipt of the proposed transferee's application,

Franchisor shall notify, in writing, Franchisee and the proposed transferee of any additional information or documentation necessary to complete the transfer application If Franchisor's then-existing standards for the approval of new or renewing franchisees are not readily available to Franchisee when Franchisee notifies Franchisor of Franchisee's intent to sell, transfer, or assign the franchise, the assets of the franchise business, or the controlling or noncontrolling interest in the franchise business, Franchisor shall communicate the standards to Franchisee within 15 calendar days

18 2 Franchisor shall, within 60 days after the receipt of all of the necessary information and documentation required pursuant to Section 18 1, or as specified by written agreement between Franchisor and Franchisee, notify Franchisee of the approval or disapproval of the proposed sale, assignment, or transfer The notice shall be in writing and shall be delivered to Franchisee by business courier or receipted mail A proposed sale, assignment, or transfer shall be deemed approved, unless disapproved by Franchisor in the manner provided by this section If the proposed sale, assignment, or transfer is disapproved, Franchisor shall include in the notice of disapproval a statement setting forth the reasons for the disapproval Provided that Franchisor or its designee will not be required to match any terms and conditions which relate to an offer to buy or acquire any rights or assets or to assume any liabilities unconnected with the Franchised Business and may require that such terms and conditions be excluded from the offer and the offer restated to reflect the transfer only of rights, assets and liabilities related to the Franchised Business, and, further provided that Franchisor or its designee may substitute equivalent cash consideration for any non-cash consideration

18 3 If Franchisor elects to exercise, or to assign under payment guarantee, this right of first refusal, the parties shall act expeditiously to complete the transfer, provided that the date for the completion of the transfer can be extended at Franchisor's option for up to thirty (30) days

18 4 If there are any material changes in the terms and conditions of the proposed transfer after Franchisor notifies Franchisee of its election not to exercise its right of first refusal, or after the expiration of the time period within which Franchisor can elect to exercise its right, Franchisee shall notify Franchisor of the changes in writing and Franchisor shall then have an additional ten (10) days within which to elect to exercise its right of first refusal

18 5 If the proposed transfer is not completed for any reason within ninety (90) days after Franchisor elects not to exercise or assign its right of first refusal, or after the expiration of the time allows for such election, a new right of first refusal commences as to the concerned transaction and any subsequent proposed sales or transfers by Franchisee or any of the owners thereof

18 6 Franchisor's right of first refusal will not apply to an approved transfer to a beneficiary in the will of Franchisee or a beneficiary of Franchisee by intestate succession nor to a transfer during lifetime to the spouse or adult child of the transferee However, Franchisor can exercise its right of first refusal in the event of a proposed transfer of this Agreement by Franchisee's executor, administrator, guardian, or other personal representative or by the beneficiary who takes under Franchisee's will or by intestate succession

18 7 In the event of the proposed transfer or transfers by the initial owner or owners of

over Fifty Percent (50%) of the interests in a corporate, LLC or partnership Franchisee, Franchisor, if it elects to purchase the interest or interests being transferred pursuant to its right of first refusal, is hereby granted by Franchisee and by all members of a partnership, and LLC or a corporation which owns Franchisee, the right to require those who do or would hold the resulting minority interest or interests in Franchisee to transfer that interest or those interests to Franchisor at a price proportionate to the price being paid for the majority interest or interests This right shall continue for a period of one (1) year from the closing of the transfer transaction by which Franchisor obtains in excess of Fifty Percent (50%) of the interests in Franchisee

19 DEFAULTS, CURES, TERMINATION, AND REMEDIES

19 1 This Agreement may be terminated without notice and without an opportunity for Franchisee to correct a condition of default as follows

(a) If Franchisee is declared bankrupt or judicially determined to be insolvent, or all or a substantial part of the property of Franchisee is assigned to or for the benefit of any creditor or creditors, or if Franchisee admits its inability to pay its debts as they become due,

(b) If Franchisee abandons the franchised business by failing to operate it for at least five (5) consecutive days during which Franchisee is required by this Agreement to operate the business, or for any period of less than five (5) days after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Business, unless such failure is due to fire, flood, earthquake, or other force majeure,

(c) If the parties agree in writing to terminate this Agreement,

(d) If Franchisee has made any material misrepresentation relating to the acquisition of the franchise or engages in conduct which reflects materially and unfavorably upon the operation and/or reputation of the franchised business or system,

(e) If Franchisee fails, for a period of ten (10) days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the Franchise,

(f) If Franchisee repeatedly fails to comply with one or more requirements of the franchise, including requirements of the Operations Manual, whether or not corrected after notice,

(g) If the Business is seized, taken over, or foreclosed by a government official in the exercise of his duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor of Franchisee, provided that final judgment against Franchisee remains unsatisfied for thirty (30) days (unless a supersedeas bond or other appeal bond has been filed), or a levy of execution has been made upon the franchise granted by this Agreement or upon a material portion of the property used in the franchised business and the levy is not discharged within

five (5) days of the levy,

(h) If Franchisee is convicted of a felony of any type, or any criminal misconduct which is relevant to the franchised business,

(i) If Franchisee fails to pay any franchise fees, royalties, advertising fees, transfer fees, renewal fees, or other amounts due to Franchisor, or any affiliate of Franchisor, within the time periods specified for such payments by this Agreement, or the agreement specifying the payment concerned, or in any event within five (5) days after receiving written notice that such fees or other amounts are overdue,

(j) If Franchisor makes a reasonable determination that continued operation of the franchised business by Franchisee will result in an imminent danger to public health or safety,

(k) If Franchisee intentionally under-reports his or her gross billings or sales in any amount, or, regardless of intent, under-reports such sales in excess of three percent (3%) in any calendar quarter or year,

(l) If Franchisee, after curing any failure in accordance with California Business & Professions Code § 20020, engages in the same noncompliance whether or not such noncompliance is corrected after notice

19 2 In addition to the grounds for immediate termination set forth above, Franchisor can terminate this Agreement for the following violations if the violation is not cured after notice and within the time period allowed to cure provided in Section 19 3 of this Agreement or other concerned agreements

(a) Franchisee substantially fails to comply with any material term of this Agreement,

(b) If Franchisee attempts or purports to transfer or assign all or any part of this Agreement, the franchised business, or any material portion of the real or personal property associated with either, except as provided in this Agreement, or attempts or purports to subfranchise to a third person or entity, or otherwise to allow an unauthorized third person or entity to use, any of the rights, proprietary property, and/or assets franchised or licensed to Franchisee hereunder, or any portion of the real and/or personal property used by Franchisee in connection herewith,

(c) If Franchisee loses the right to occupy Franchisee's business premises by virtue of a default by Franchisee in its lease, sublease, or other document of occupancy However, if Franchisee's lease, sublease, or other occupancy document expires, or the right to possession and use of the premises otherwise be lost through no fault of Franchisee, this Agreement will not be terminated if Franchisee relocates and reopens the Business at a location and pursuant to lease terms acceptable to Franchisor within thirty (30) days from

the date of the termination of Franchisee's prior lease, sublease, or other document of possession, or

(d) If Franchisee for any reason loses or has suspended any license necessary to run the franchised business

19 3 If the breach concerns this Agreement and does not result in immediate termination, the correction of any default must be accomplished within sixty (60) days after Franchisee is given written notice from Franchisor describing the condition which constitutes the violation, and the corrective action which must be taken, if any corrective action is possible to cure the default Should a default under this Agreement be of such a nature that Franchisor in writing agrees more than sixty (60) days is reasonably required to cure, Franchisee shall be given such additional time as may be reasonable, provided that corrective action is commenced promptly within the initial sixty (60) day period and is pursued diligently to completion

19 4 If the principal operator of the Business, whether the Designee or Franchisee, was the principal operator of a Plumbing Doctor Franchise for which the Franchise Agreement has been terminated due to an uncured default, Franchisor can require that said operator be replaced and take no active role in the operation or supervision of the Business granted under this Agreement This Section is applicable even if the franchises are under different ownership

19 5 If a default in this Agreement is not cured after notice and within any time period allowed for the correction of the default, termination of this Agreement will occur without further notice as of the expiration of the time allowed to cure the default

19 6 At any time prior to Franchisor's approval of the location or lease, Franchisor may terminate this Agreement in its sole and absolute discretion, and without providing any reason or justification to Franchisee, by refunding the full amount of the franchise fee However, should the termination be caused by a reason set forth above, or elsewhere in this Agreement, the conditions of termination, and any refund by the franchise fee, shall be governed by the concerned section and not by this Section and Franchisor shall specify the reason for the termination and refer to the section of this Agreement under which the termination was taken

19 7 Upon termination of this Agreement for any reason, Franchisee shall immediately bring all accounts with Franchisor current and stop using Franchisor's licensed trade name, trademarks, trade dress, service marks, logotypes, proprietary software, trade secrets, patented items, and other commercial property and symbols, shall discontinue the use of any signs, displays, advertising and/or promotional material, and the like, that are unique or distinctive to Plumbing Doctor businesses, return to Franchisor the Operations Manual and all copies thereof and all other material obtained by Franchisee from or through Franchisor

19 8 Upon a lawful termination or nonrenewal of a Franchisee, Franchisor shall purchase from the Franchisee, at the value of price paid, minus depreciation, all inventory, supplies, equipment, fixtures, and furnishings purchased or paid for under the terms of this Agreement or any ancillary or collateral agreement by Franchisee to Franchisor or its approved suppliers and sources, that are, at the time of the notice of termination or nonrenewal, in the possession of Franchisee or

used by Franchisee in the franchise business Franchisor shall have the right to receive clear title to and possession of all items purchased from Franchisee under this section

The purchase price shall be paid by Franchisor by a cash payment equal to twenty-five percent (25%) of the purchase price down payable within ten (10) days of the effective date of the termination, with the balance payable in three equal annual installments with the unpaid principal amount bearing interest at the prime rate charged by the Bank of America in San Francisco, California, plus two percent (2%)

This section shall not require Franchisor to purchase any personalized items, inventory, supplies, equipment, fixtures, or furnishings not reasonably required to conduct the operation of the franchise business in accordance with this Agreement or any ancillary or collateral agreement or to which Franchisee, at the cessation of operation of the franchise business by Franchisee, cannot lawfully, or does not, grant Franchisor clear title and possession upon Franchisor's payment to Franchisee for the inventory, supplies, equipment, fixtures, or furnishings

This section shall not apply under the following circumstances

(a) When Franchisee declines a bona fide offer of renewal from Franchisor,

(b) When Franchisor does not prevent Franchisee from retaining control of the principal place of the franchise business,

(c) When the termination or nonrenewal of a franchise is due to a publicly announced and nondiscriminatory decision by Franchisor to completely withdraw from all franchise activity within the relevant geographic market area in which the franchise is located For the purpose of this section "relevant geographic market area" shall have the same meaning as in California Business & Professions Code § 20999

(d) When Franchisor and Franchisee mutually agree in writing to terminate or not renew the franchise

This section shall not apply to any inventory, supplies, equipment, fixtures, or furnishings that are sold by the franchisee between the date of the notice of termination or nonrenewal, and the cessation of operation of the franchise business, by Franchisee, pursuant to the termination or nonrenewal

Upon the termination or nonrenewal of a franchise, Franchisor may offset against the amounts owed to Franchisee under this section any amounts owed by Franchisee to Franchisor

19 9 Upon termination of this Agreement, Franchisee shall cease using any and all telephone numbers listed in the Yellow Pages or white pages of the telephone directory under the name "Plumbing Doctor" or any other name confusingly similar to it, and shall, upon the Franchisor's request, direct the telephone company to transfer any such telephone number and any telephone

directory listing associated with the Marks to the Franchisor or to such other persons as the Franchisor may designate The Franchisee hereby irrevocably appoints any officer of the Franchisor as his attorney-in-fact to direct the telephone company and all listing agencies, in his name and on his behalf should he fail or refuse to do so, to make any such transfer, in accordance with Exhibit H Power of Attorney, and hereby expressly authorizes the telephone company and all listing agencies to act at the direction of said attorney-in-fact and agrees to hold them harmless for their actions in respect of any such transfer Franchisee shall immediately assign telephone numbers and all customer accounts and orders to Franchisor Franchisee shall immediately cancel any fictitious business name or equivalent registrations or listings indicating that Franchisee is in any way affiliated with Franchisor or the Plumbing Doctor system unless Franchisee continues to be so affiliated by virtue of a validly existing agreement between the parties which survives the termination of this Agreement Franchisee shall immediately notify all of its suppliers, creditors, customers, and concerned others that Franchisee is no longer affiliated with Franchisor and or Plumbing Doctor system Franchisee shall not use any of Franchisor's trade secrets or other proprietary material following the termination of this Agreement

19 10 Upon termination or non-renewal of this Agreement for any reason, Franchisor has the option to terminate any lease, sublease, or to retake the premises subject to the concerned lease, sublease, or relationship If Franchisor is not the lessor or sublessor of Franchisee, Franchisor has the right to have Franchisee assign its lease or other document of occupancy to Franchisor without payment of any kind to Franchisee by Franchisor as consideration for that assignment In the event of such a termination or assignment, Franchisee agrees to bring the office premises into full compliance with the requirements of the lease, sublease, or other document of possession and to bring all accounts with the lessor, sublessor, or other grantor current as of the date that Franchisor assumes possession of the premises, as well as indemnifying Franchisor against all losses and costs arising by virtue of or attributable to the period of Franchisee's possession of the premises Following Franchisor's assuming possession of the premises, Franchisor shall indemnify Franchisee against all losses and costs arising by virtue of or attributable to the period of Franchisor's possession of the premises

19 11 Other than as specified in Section 19 8, above, upon termination, nonrenewal or expiration of this Agreement Franchisor shall have the right but not the obligation to purchase the assets of the Franchised Business at their fair market value, less any amounts due to Franchisor and after deduction of any amounts Franchisor will be required to pay to landlord, recommended suppliers or any creditors of the Franchised Business to satisfy any indebtedness of Franchisee This option may be exercised by written notice to Franchisee which maybe given at any time from 30 days before through 30 days after the termination or expiration, or from such earlier time as it becomes apparent that the franchise will terminate, expire or not be renewed by Franchisee through 30 days after the termination, expiration or nonrenewal Upon receipt of the notice, Franchisee must preserve the assets of the Franchised Business and refrain from any acts or omissions that would deplete or damage the assets of the Franchised Business The fair market value of the Franchised Business shall not include any factor for the value of or goodwill generated by use of the Marks as all such value belongs to Franchisor If Franchisor and Franchisee cannot agree on fair market value of the business, it shall be established by an experienced service business appraiser agreed on by both parties, with each party paying one half of the appraisal fee Failing agreement on an appraiser, each party shall select and pay the fees of its own appraiser,

who must be and experienced service business appraiser, and fair market value will be the average of both appraisals Any appraisal must be reasonable, made in good faith and consistent with the provisions of this Section

19 12 In addition to the remedies set forth above, Franchisor shall have all other remedies available to it at law or in equity which may apply by virtue of Franchisee's default

19 13 Upon the termination or nonrenewal of this Agreement for any reason, no payment is due to Franchisee from any source on account of any goodwill or other equity claimed by Franchisee arising from Franchisee's operation or ownership of the business, or otherwise

19 14 All of the provisions of this Agreement, which by their terms or by implication apply following the termination of this Agreement shall indeed survive and apply following the termination of this Agreement

20 DISPUTE RESOLUTION

20 1 Governing Law Except to the extent governed by the Lanham Act, 15 U S C Secs 1051 et seq , or the Federal Arbitration Act, 9 U S C Sec 2 et seq , or as expressly otherwise provided herein, as at Section 8 7(1) above, this Agreement shall be interpreted in accordance with and shall be governed by California law

20 2 Informal Resolution In the event of any controversy or claim between Franchisee and Franchisor arising out of or related to this Agreement, or the breach hereof, the complaining party shall give written notice of the condition giving rise to the dispute to the other party at least fifteen (15) days prior to instituting any arbitration or lawsuit based on that complaint, whether the complaint arises under the terms of this Agreement or otherwise Within that fifteen (15) day period the parties shall try to resolve the dispute in good faith This provision for notice shall not apply, however, to claims for moneys due under this Agreement nor to the matters described at section 20 3 D below nor to notices of franchise termination or nonrenewal by Franchisor to Franchisee nor shall it affect the termination or nonrenewal notice obligations or cure rights otherwise provided for in this Agreement or under statute

20 3 Binding Arbitration

A Except as precluded by applicable law or exempted hereunder, any controversy or claim that arises out of or relates to this Agreement, or any breach of this Agreement, including without limitation any claim that any of this Agreement (including this Section 20 3) is invalid, illegal, voidable or void, shall be submitted to arbitration in accordance with the rules of ADR Services Inc , San Francisco, California, and judgment upon the award may be entered in any court with jurisdiction thereof

B Unless applicable law requires otherwise, arbitration shall occur in San Francisco, California This arbitration provision shall be self-executing, and shall remain in effect after and regardless of expiration or termination of this Agreement If a party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party regardless of

such failure to appear

C Section 1283 05 and 1283 1 of the California Code of Civil Procedure are by this reference incorporated in and made part of this Agreement and shall apply in connection any arbitration under this Section 20 3

D Nothing in this Section 20 3 or elsewhere in this Agreement shall limit Franchisor's rights or remedies in connection with any action in any court of competent jurisdiction for injunctive or other provisional relief that Franchisor deems necessary or appropriate to compel Franchisee to comply with Franchisee's obligations under this Agreement or to protect the Trade Secrets or Marks or to prevent any threatened conduct that may cause loss or damages to Franchisor under rules of equity or to collect royalties Such rights and remedies shall be available to Franchisor through arbitration and/or in court, at Franchisor's option Franchisor's rights and remedies in this Agreement with respect to the trade secrets are additional to those under the California Uniform Trade Secrets Act

20 4 Jurisdiction, Venue, and Service This Agreement shall be deemed to be entered into in Sacramento, California Accordingly, in any judicial action allowable under this Agreement the parties submit to the jurisdiction of the courts of, and to venue in, the United States District Court for the Eastern District of California and the Superior Court of the State of California in and for the County of Sacramento Further, each party irrevocably submits to the jurisdiction of those courts and waives any and all objections to jurisdiction or venue that it may have under the laws of the State of California or otherwise in any such suit, action or proceeding Each party agrees to accept service of process in any such action, suit or proceeding in the manner provided for in Section 23

20 5 Attorney's Fees and Costs Should there be litigation or arbitration between the parties to this agreement arising out of this Agreement or the relationship between the parties, the arbitrator or court shall award reasonable attorney's fees and costs to the prevailing party

21 FRANCHISOR DOES NOT WARRANT OR GUARANTEE SUCCESS OF BUSINESS

Franchisor does not warrant or guarantee, in any way, that any location, equipment, supplies, plans and specifications and the like approved by Franchisor will be suitable or adequate for the success of the Business Franchisor does not warrant or guarantee the successful performance of the Business, nor does Franchisor warrant or guarantee that the past performance of the Business or any other or all Plumbing Doctor Businesses is indicative of future performance of the Business Franchisor does not and will not make any projections as to the performance of the Business

22 MODIFICATION OR AMENDMENT

This Agreement may be modified only by a writing signed by both parties Franchisor may modify its Operations Manual at such times and in such ways as Franchisor deems necessary or desirable

23 NOTICES

All notices required by this Agreement shall be in writing and deemed to have been received by the addressee at the earlier of when personally delivered to the addressee, when an acknowledgment of receipt is signed by the addressee or a duly authorized agent of addressee, or five (5) days after the deposit of such notice in the United States mail, when sent by registered or certified mail, postage prepaid and addressed as follows

Franchisor FAST AID SUCCESS SYSTEMS
955 Business Park Drive
Dixon, California 95620

Franchisee _____
_____
_____

or to such other address as a party to whom notice is to be given has furnished to the other party in the manner provided above

24 CONSUMER PRICE INDEX ADJUSTMENT

24 1 Consumer Price Index shall mean the Consumer Price Index for All Urban Consumers (base year 1982-84=100) for U S City Average, published by the United States Department of Labor, Bureau of Labor Statistics, most immediately preceding the concerned dates In no case will any adjustment result in a charge, fee, or other payment below the amount subject to the adjustment

24 2 If the Index designated above is changed so that the base year differs from that in effect on the date of this Agreement, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics If the Index is discontinued or revised during the term of this Agreement, including any extensions or renewals hereof, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would have been obtained had the Index not been discontinued or revised

25 HEIRS, SUCCESSORS, AND ASSIGNS

This Agreement is binding upon and inures to the benefit of the parties and their heirs, successors, representatives, and assigns, but only on the conditions and in the manner set forth in this Agreement

26 WAIVERS

The failure of Franchisor to enforce any right or default hereunder shall not be deemed to be a waiver or abandonment of such right or default unless it is waived in a writing signed by Franchisor The waiver of any right or default in one instance shall not be deemed to be a waiver of any subsequent or different breach The acceptance of money or other performance by Franchisor

shall not constitute a waiver of any right or default

27 SEVERABILITY

Any invalidity or unenforceability of any portion of this Agreement shall not affect the validity of any other portion of this Agreement and, unless the substantial performance of this Agreement taken as a whole is frustrated thereby, this Agreement shall remain in a full force and effect

28 COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute a single agreement

29 HEADINGS

The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement

30 MISCELLANEOUS

30 1 Time is of the essence in this Agreement

30 2 The parties intend to confer no benefit or right on any person or entity not a party of this Agreement and no third party shall have any right to claim any benefit or right as a third party beneficiary under this Agreement

30 3 Where a corporation is a party to this Agreement, the person or persons signing this Agreement on behalf of the corporation warrant to Franchisor that he, she, or they have the requisite corporate authority to sign this Agreement Said corporate signatory shall provide Franchisor with a certified copy of the resolution authorizing the execution of this Agreement and naming the officers of the corporation who are authorized to sign this Agreement on behalf of the corporation

30 4 No fees, charges, royalties, advertising fees, or other payments of any kind from Franchisee to Franchisor are refundable in whole or in part except as may be otherwise set forth elsewhere in this Agreement

31 ACCORD AND SATISFACTION

No payment by Franchisee or receipt by Franchisor of any amount less than that required to be paid under this Agreement, or otherwise, to Franchisor, or any person or entity affiliated with Franchisor, shall be deemed to be anything except a payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection therewith By endorsing any check or accepting any amount from or on behalf of Franchisee, Franchisor shall not be bound by any claim that such endorsement or acceptance was an accord and satisfaction for less than the full amount due All payments from Franchisee shall be applied first to any interest owing to Franchisor from Franchisee and then to the earliest of the principal amounts due to Franchisor from Franchisee Any payment to Franchisor from Franchisee and the acceptance thereof by Franchisor shall not prejudice nor be deemed to be a waiver of any rights of Franchisor to require full payment and performance of all of Franchisee's obligations and duties under this Agreement

32 OWNERSHIP AND AUTHORITY TO DEAL

32 1 Franchisee represents and warrants that it has disclosed in writing to Franchisor the identities and interests of all of its owners, members, partners, and shareholders, and agrees to notify Franchisor in writing and to obtain approval of Franchisor prior to adding or dropping owners, partners, or shareholders and prior to transfer of any LLC interests, partnership interests or corporate shares

32 2 Should Franchisee be a corporation, LLC or partnership, or should this Agreement be transferred to a corporation, LLC or partnership, Franchisee agrees immediately to appoint an individual general partner, member or corporate officer, director, or shareholder, as appropriate, to serve as the designated person to be the contact with Franchisor regarding performance by Franchisee under this Agreement Franchisee warrants that this person ("the designee") will have all necessary authority to speak for Franchisee in all matters related to this Agreement and to bind Franchisee in such matters The designee must oversee Franchisee's compliance with the terms and conditions of this Agreement and all matters related hereto Franchisee warrants to Franchisor that Franchisor can rely on the authority of the designee in all matters until such time as Franchisor is notified in writing by a majority of the partners, directors, or shareholders, as appropriate, of Franchisee of any change in the person serving as the designee or in the authority of the designee

Designee

_____

*Name and title of the designee

32 3 If the individual named as the designee for any reason ceases to hold that position, Franchisee agrees immediately to name another person to serve as the designee, which person shall have the duties and authority as previously set forth herein

32 4 Nothing in this paragraph or elsewhere in this Agreement, shall in any way be construed to lessen the responsibility or liability of any other members of an LLC, a partnership Franchisee or

the officers, directors, and shareholders of a corporate Franchisee, for compliance by Franchisee with the terms and conditions of this Agreement

33 JOINT AND SEVERAL LIABILITY

If two or more persons or entities sign this Agreement, the liability of each shall be joint and several All members of a general partnership or the general partners of a limited partnership, and all members of any association, or other unincorporated entity, or any member of an LLC which is Franchisee hereunder are jointly and severally liable for the performance of Franchisee to the extent allowed by applicable law

34 FRANCHISOR'S RIGHT TO ACT

Should Franchisee fail to perform any duty or obligation required of Franchisee under this Agreement, Franchisor has the right, but not the obligation, to perform such duty or obligation on behalf of Franchisee Franchisee shall immediately pay Franchisor all costs and expenses incurred by Franchisor in any such performance All sums not immediately so paid will bear interest in the amount required by this Agreement

35 ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties and encompasses all representations on which they have relied in entering into it This Agreement supersedes all prior negotiations, agreements, representations, promises, commitments, inducements, assurances, conditions, and covenants between the parties whether direct, indirect, or implied and whether oral or written Franchisor has made no promises which are not contained in this Franchise Agreement or in any signed addendum, amendment, or exhibit hereto

36 NO PROMISES

Franchisee acknowledges that neither Franchisor nor anyone purporting to act for Franchisor has made any promises or representations concerning Plumbing Doctor businesses, the sales volumes which will be produced by Franchisee's business, the suitability of any lease or location, the profits to be made in the business, the likelihood of success of the franchised business, or any other matter in connection with the proposed franchise or the franchised business other than those which are set forth in this Franchise Agreement and any signed amendments or exhibits hereto If any such promises have been made, Franchisee is instructed to make sure that they are set forth in writing in this Franchise Agreement or in an amendment or exhibit to this Franchise Agreement and that any such amendment or exhibit is signed by both Franchisor and Franchisee Franchisor in granting this franchise is relying on Franchisee to see that all such matters are reduced to writing and are signed and attached to this Franchise Agreement If they are not, Franchisee will not be able to rely in any way on such promises or representations and Franchisor will not be bound by them

FRANCHISEE MUST INSURE THAT ALL PROMISES AND REPRESENTATIONS FOR PRESENT AND FUTURE RESULTS AND RIGHTS, WHETHER ABSOLUTE OR CONTINGENT, ARE CONTAINED IN THIS FRANCHISE AGREEMENT OR THEY MAY BE

FOREVER LOST

WHEREFORE, the parties, including **all** persons or entities who will have an ownership interest (including but not limited to a stockholder interest) execute and deliver this Franchise Agreement as of the date first written above

FRANCHISEE	FRANCHISOR
_____ (name of corp, if any)	FAST AID SUCCESS SYSTEMS
By _____ (signature)	By _____ (signature)
Title _____	Title _____
_____ (Typed or Printed Name)	
_____ (Signature)	
_____ (Typed or Printed Name)	
_____ (Signature)	
_____ (Typed or Printed Name)	

APPLICATION TO BECOME A PLUMBING DOCTOR FRANCHISEE

Contact Person/Applicant _____

Address _____

_____

Telephone _____

Date _____

Fax _____

Email _____

EXHIBIT B

© 2006 Plumbing M D Inc All Rights Reserved

APPLICATION PROCESS

Please read the following before filling out the application

1 There are five sections in the application process

Application Cover Page (this document)

Part Ia The Authorization Form for the Primary Contact, which is defined as the President, Principal, or CEO

Part Ib The Authorization Form for Associates, which are any partners, officers, directors, or shareholders

Part II Background Information

Part III Financial Information

2 If you are the primary contact for the franchise, you must fill out the Application Cover Page, Part Ia, Part II and Part III of the Franchise Application Packet You must also fill out a Request for Consideration if you have not already done so

3 If you are an associate you must fill out Part Ib, Part II and Part III of this application You do not fill out Part Ia but you must be listed as an associate

4 Please submit all forms for your application at one time as one packet Please submit them in the following order

A One copy of the Application Cover Page from the primary contact

B One copy of Part Ia from the primary contact of the company

C One copy of Part Ib from each associate of the Franchise

D One copy of Part II from each member of the Franchise

E Any supplemental attachments to Part II

F One copy of Part III from each member of the Franchise

Return completed application to:

Fast Aid Success Systems

955 Business Park Drive

Dixon, CA 95620

© 2006 Plumbing M D Inc All Rights Reserved

PLUMBING DOCTOR
FRANCHISE APPLICATION
PART Ia AUTHORIZATION
for Primary Contact

To Fast Aid Success Systems

I, _____, hereby apply to be a Plumbing Doctor Franchisee
Name

I certify that the information contained in this application and all forms in this packet are complete as of the date of this application I promise to advise you promptly of any material changes in any of that information I agree that you shall not be obligated to me for any expenses I have or will incur in connection with my investigation of your franchising program, your offices, your agreements, your company, or anything connected with them

I authorize you to contact any of the references, banks, financial institutions, savings and loan associations, employers, former employers, lenders, and any other persons or entities I have listed on the background and financial statements I have provided to you, or any other persons who you may desire to contact concerning me I hereby authorize all such persons and entities to provide you with any information about me which you may request of them I further authorize you to conduct any background investigation, credit checks, and/or other investigations of me as you think necessary, and I authorize all whom you may contact in this regard to provide you with whatever information you may require I agree to sign promptly all other documents, papers, requests, authorizations, and similar items you may require in furtherance of this application and your evaluation of me as a prospective Plumbing Doctor Franchisee

If my spouse has signed this application, the foregoing representations, authorizations, and all other matters contained in this document, apply to my spouse as well as to me

If I will have any partners in the proposed Plumbing Doctor business, I have listed their names below I agree to have each of them fill out an application and have included it with mine, as specified above under the heading "Application Process "

If applicant is a corporation or a corporation to be, the names of all officers, directors, and shareholder of the corporation are listed below I agree to have each of them fill out an application and have included it with mine, as specified above under the heading "Application Process "

The area in which I would like to open a Plumbing Doctor business is described as follows

_____

_____

© 2006 Plumbing M D Inc All Rights Reserved

Either I have checked the area in which I am interested in opening a Plumbing Doctor business and have found in that area no trade name, trademark, logotype, or other commercial symbol similar to those used by Plumbing Doctor businesses, or, before signing any Franchise Agreement with you, I will check the area in which I am interested in opening a Plumbing Doctor business and satisfy myself that there is being used in that area no trade name, trademark, service mark, logotype, or other commercial symbol similar to those used by Plumbing Doctor businesses

I have not signed any binding agreement with you, nor have I given you any money or other consideration prior to the date on this application

By accepting this application you are in no way obligated to sell me a Plumbing Doctor franchise I acknowledge that you undertake no obligation to me in connection with this application and have made no promises or representations to me regarding this application, the Plumbing Doctor business profitability, sales, earnings, profit, or income projections, or my likelihood of success as a Plumbing Doctor franchisee, other than as may be set forth in your Franchise Disclosure Document

I will be operating my franchise as a (check one)

☐	Sole Proprietorship	☐	Partnership (general or limited)
☐	Corporation	☐	Limited Liability Corporation (LLC)

Names and Addresses of all franchise applicant's partners or corporate shareholders

Typed or Printed Name _____

Address _____

City, State, Zip Code _____

Telephone Number (_____) _____

Typed or Printed Name _____

Address _____

City, State, Zip Code _____

Telephone Number (_____) _____

© 2006 Plumbing M D Inc All Rights Reserved

Typed or Printed Name _____

Address _____

City, State, Zip Code _____

Telephone Number (_____) _____

Typed or Printed Name _____

Address _____

City, State, Zip Code _____

Telephone Number (_____) _____

Typed or Printed Name _____

Address _____

City, State, Zip Code _____

Telephone Number (_____) _____

Dated _____ _____

Signature of Applicant

© 2006 Plumbing M D Inc All Rights Reserved

PLUMBING DOCTOR
FRANCHISE APPLICATION
PART Ib AUTHORIZATION
for Associates

To Fast Aid Success Systems

I, _____, hereby apply to be a Plumbing Doctor Franchisee
Name

The primary contact for this franchise is _____
Name

I certify that the information contained in this application and all forms in this packet is complete as of the date of this application I promise to advise you promptly of any material changes in any of that information I agree that you shall not be obligated to me for any expenses I have or will incur in connection with my investigation of your franchising program, your offices, your agreements, your company, or anything connected with them

I authorize you to contact any of the references, banks, financial institutions, savings and loan associations, employers, former employers, lenders, and any other persons or entities I have listed on the background and financial statements I have provided to you, or any other persons who you may desire to contact concerning me I hereby authorize all such persons and entities to provide you with any information about me which you may request of them I further authorize you to conduct any background investigation, credit checks, and/or other investigations of me as you think necessary, and I authorize all whom you may contact in this regard to provide you with whatever information you may require I agree to sign promptly all other documents, papers, requests, authorizations, and similar items you may requires in furtherance of this application and your evaluation of me as a prospective Plumbing Doctor Franchisee

If my spouse has signed this application, the foregoing representations, authorizations, and all other matters contained in this document, apply to my spouse as well as to me

I have not signed any binding agreement with you, nor have I given you any money or other consideration prior to the date on this application

By accepting this application you are in no way obligated to sell me a Plumbing Doctor franchise I acknowledge that you undertake no obligation to me in connection with this application and have made no promises or representations to me regarding this application, the Plumbing Doctor business profitability, sales, earnings, profit, or income projections, or my likelihood of success as a Plumbing Doctor franchisee, other than as may be set forth in your Franchise Disclosure Document

© 2006 Plumbing M D Inc All Rights Reserved

The franchise will be operated as a (check one)

☐	Sole Proprietorship	☐	Partnership (general or limited)
☐	Corporation	☐	Limited Liability Corporation (LLC)

My role in the franchise will be _____

Dated _____ _____

Signature of Applicant

© 2006 Plumbing M D Inc All Rights Reserved

PLUMBING DOCTOR
FRANCHISE APPLICATION
PART II BACKGROUND INFORMATION

Name _____ Social Security No _____

Name of Spouse _____ Social Security No _____

Have you or your spouse ever filed, or had filed against you, a petition in bankruptcy, insolvency, made an assignment for the benefit of creditors, or taken any similar action? _____ If so, please attach an explanation with the court name, case number(s), dates and disposition of any such action

Have you or your spouse ever been convicted of a felony, or, within the past ten years, of a misdemeanor which resulted in imprisonment? _____ If so, please attach an explanation, naming the court, case number(s), dates, and disposition of the action(s)

Do you have or have you ever had a State Contractors License? _____

Class _____ License Number _____ Under what name? _____

Has your license ever been suspended or revoked? _____ If yes, list details and dates

_____

_____

Personal References (other than business contacts, relatives, or former employers)

	Name	Address	Telephone Number
1			
2			
3			

PLEASE NOTE BELOW ANY ADDITIONAL PAGES AS NEEDED FOR FURTHER DETAILS OF ANY OF THE MATTERS IN THIS STATEMENT AND ATTACH ADDITIONAL PAGES DIRECTLY TO THIS PAGE

I have attached _____ pages to this document as a supplement to the above questions

I certify that the above information and any attachments thereto, is true and correct to the best of my knowledge as of the date written below

Signature _____ Date signed _____

© 2006 Plumbing M D Inc All Rights Reserved

PLUMBING DOCTOR
FRANCHISE APPLICATION
PART III FINANCIAL STATEMENT

For _____ as of _____

ASSETS		LIABILITIES.	
Cash/Savings	$_____	Loans/mortgages	$_____
Stocks and Bonds	$_____	Accounts and bills due	$_____
Real Estate Investments	$_____	Taxes Due	$_____
Business	$_____	Liens Payable	$_____
Other Assets		Other Liabilities	
_____	$_____	_____	$_____
_____	$_____	_____	$_____
_____	$_____	_____	$_____
Total Assets	$_____	Total Liabilities	$_____

Total Net Worth (assets minus liabilities)

_____

I (we) certify that the above financial statement, and any attachments thereto, gives a full, true and correct statement of my (our) financial condition as of the date signed below

Signature _____ Date signed

_____

Spouse's Signature _____

© 2006 Plumbing M D Inc All Rights Reserved

EXHIBIT D

TO FRANCHISE AGREEMENT

OWNER'S GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution by _____ ("Franchisor") of that certain Franchise Agreement of even date herewith (the "Agreement") between Franchisor and _____ ("Franchisee"), or in consideration of and as an inducement to Franchisor's consent to a transfer by or of Franchisee under the Agreement, each of the undersigned parties including

_____

_____ ("Guarantors")

Hereby personally and unconditionally (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, and agrees to punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (2) agrees to be personally bound by, and personally liable for the breach of, each and every term, condition, covenant and provision in the Agreement Each Guarantor expressly represents and acknowledges that he or she has read that Agreement and has had the opportunity to review the same, and this Guaranty, with counsel Each Guarantor hereby expressly waives

(1) acceptance and notice of acceptance by Franchisor, of the foregoing undertakings,

(2) notice of demand for payment of any indebtedness or non performance of any obligations hereby guaranteed,

(3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

(4) any right he or she may have to require that an action be brought against Franchisee, Guarantor or any other person as a condition of liability,

(5) any requirement that Franchisor proceed against or exhaust its remedies with respect to Franchisee or any other person before demanding payment or performance by Guarantor, and

(6) any and all other notices and legal or equitable defenses to which he or she may be entitled

Each Guarantor consents and agrees that

(1) his or her direct and immediate liability under this guaranty shall be joint and several,

(2) he or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses to do so punctually,

(3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person,

(4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may, from time to time, grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be irrevocable during the term of the Agreement, and

(5) the liability and obligation under this Guaranty and Assumption shall not be diminished, relieved or otherwise affected by any modification by Franchisee and Franchisor of the terms or conditions of the Agreement

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature on the same day and year as the Agreement was executed

GUARANTOR(S)

Name _____
Signature _____
Date _____

Name _____
Signature _____
Date _____

Name _____
Signature _____
Date _____

EXHIBIT E

STATE ADMINISTRATOR & INFORMATION-CALIFORNIA

The person in charge of administering the California Franchise Investment Law is

Jan Lynn Owen
Commissioner of Business Oversight
1515 K St , Suite 200
Sacramento, CA 95814

Telephone (916) 324-9011

1 These states have statutes which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise ARKANSAS [State Section 70-807], CALIFORNIA [Bus & Prof Code Section 20,000-20043], CONNECTICUT [Gen, Stat Section 42-133e *et seq*], DELAWARE [Code, tit], HAWAII [Rev Stat Section 482E-1], ILLINOIS [Rev Stat Chapter 121-1/2, Sections 1719-1720], INDIANA [Stat Section 23 2-2 7], MICHIGAN [Stat Section 19 854(27)], MINNESOTA [Stat Section 80C 141], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat Section 407 400], NEBRASKA [Rev Stat Section 87-4011]JSEY [Stat Section 56 10-1] SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13 1-557-574-13 1-564], WASHINGTON [Code Section 19 100 1801], WISCONSIN [Stat Section 135 03] These and other states may have court decisions which may supersede the franchise agreement in your relationship with the franchise including the areas of termination renewal of your franchise

2 These states have statutes which limit the franchisor's ability to restrict your activity after the franchise agreement has ended CALIFORNIA [Bus & Prof Code Section 16,600], FLORIDA [Statutes Section 542 33], MICHIGAN [Compiles Laws Section 445 771 *et seq* ,] MONTANA [Codes Section 30-14-201], NORTH DAKOTA [Code Section 9-08-06], OKLAHOMA [Statutes Section 15-207-19], WASHINGTON [Code Section 19 86 030] Other states have court decisions limiting the franchisor's ability to restrict your activity after the franchise agreement had ended Covenants no to compete upon termination or expiration of the franchise agreement are generally unenforceable in the state of SOUTH DAKOTA except in certain instances as provided by law

3 A provision in the franchise agreement which terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101

4 The following states have statutes which restrict or prohibit the imposition of liquidated damage provisions CALIFORNIA {Civil Code Section 1671], Indiana [Stat Section 23 2-2 7-1(10)], MINNESOTA [Rule 2860 4400J], SOUTH DAKOTA [Civil Law Section 53-9-5] State courts also restrict the imposition of liquidated

damages The imposition of liquidated damages is also restricted by fair practice laws, contract law, and state and federal court decisions In MINNESOTA, NORTH DAKOTA, and SOUTH DAKOTA, liquidated damages provisions are void

5 Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the California Franchise Investment Law is void Franchisor does not interpret this to prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code nor the venue of such arbitration in Sacramento, California

EXHIBIT F

Agents for Service of Process

Fast Aid Success Systems

Our registered agent in California authorized to receive service of process is

Michael Farias
955 Business Park Drive
Dixon, CA 95620

© 2007 Plumbing M D Inc All Rights Reserved

EXHIBIT G

Promissory Note

Fast Aid Success Systems

Borrower Information	
Name	**Date**
Business Address	**City**
State CA	**Telephone number**
Zip	

Borrower Information	
Name	**Date**
Business Address	**City**
State CA	**Telephone number**
Zip	

Lender Information

Name Fast Aid Success Systems	**Area code/Telephone number** 707-678-8777
Business Address 955 Business Park Dr	**Send payments to** Fast Aid Success Systems 955 Business Park Dr Dixon, CA 95620
City Dixon	
State CA	
Zip 95620	

Loan Information	
Loan Amount $	**Loan Period** 12 months
Interest Rate 12% APR	**Payment Schedule** 12 monthly payments

© 2009 Plumbing M D Inc All Rights Reserved

1 **Promise to Pay** For value received, _____ (Borrower(s)) promises to pay Fast Aid Success Systems (Lender) $_____ plus applicable finance charges as specified below

2 **Installments**

☐ Borrower will pay 12 payments of $_____ each at monthly intervals on the _____ day of the month

3 **Prepayment** Borrower may prepay all or any part of the principal without penalty

4 **Default** If any of the following events of default occur, this note shall become due immediately, without demand or notice

1) The failure of the Borrower to pay the principal and any accrued interest in full on or before the due date,

2) The filing of bankruptcy proceedings involving the Borrower or guarantor as a debtor,

3) The application for the appointment of a receiver for the Borrower,

4) The making of a general assignment for the benefit of the Borrower's or guarantor's creditors,

5) The insolvency of the Borrower,

6) A misrepresentation by the Borrower or guarantor to the Lender for the purpose of obtaining or extending credit, or

7) Death of Borrower, or any guarantor

If any of the above defaults apply to one Borrower, all Borrowers shall be deemed in default of this note regardless of whether all Borrowers are directly involved in the default

5 **Security**

☒ This is secured by a personal guarantee

The undersigned and all other parties to this note, whether as endorsers, guarantors or sureties, agree to remain fully bound until this note shall be fully paid and waive demand, presentment and protest and all notices hereto and further agree to remain bound notwithstanding any extension, modification, waiver, or other indulgence or discharge or release of any obligor hereunder or exchange, substitution, or release of any collateral granted as security for this note No modification or indulgence by any holder hereof shall be binding unless in writing, and any indulgence on any one occasion shall not be an indulgence for any other or future occasion Any modification or change in terms, hereunder granted by any holder hereof, shall be valid and binding upon each of the undersigned, notwithstanding the acknowledgement of any of the undersigned, and each of the undersigned does hereby irrevocably grant to each of the others a power of attorney to enter into any such modification on their behalf The rights of any holder hereof shall be cumulative and not necessarily successive This note shall take effect as a sealed instrument and shall be construed, governed and enforced in accordance with the laws of the State of California

Fast Aid Success Systems _____Title_____ Date _____

Signature_____

Borrower Name _____Title_____ Date _____

Signature_____

Borrower Name _____Title_____ Date _____

Signature_____

© 2009 Plumbing M D Inc All Rights Reserved

EXHIBIT H

Power of Attorney

Fast Aid Success Systems

I, _____, doing business as _____

or any successor entity, located at _____,

hereby appoint _____ of Fast Aid Success Systems, 955

Business Park Drive Dixon, CA 95620, or his/her designated successor, as my Attorney-In-Fact

to act in my capacity to do any and all of the following

1 To act in my place and stead with any telephone service company and any telephone listing and advertising directory company in order to transfer to **Fast Aid Success Systems,** or its designee, all right, title and interest I may have in such telephone numbers or telephone directory listings and advertising relating to any franchise granted to me by **Fast Aid Success Systems** or to direct the telephone service company to disconnect such telephone numbers

2 To perform all other acts necessary to be done in regard to such powers

3 To appoint a substitute attorney to perform any of the acts that my attorney by this instrument is authorized to perform, with the right to revoke such appointment of substituted attorney

The rights, powers and authority of my Attorney-In-Fact herein granted shall commence and be in full force and effect on _____, and, in consideration of the franchise granted to me, shall be irrevocable

This Power of Attorney shall include a full indemnification of **Fast Aid Success Systems** by the signatory below of and from any claim made by any telephone company, telephone directory publisher and other related persons or entities with which **FRANCHISEE** conducts business, including all costs, damages, attorney's fees, expenses or liabilities which may be incurred or sustained in connection with or as a result of any action taken in reliance on this Exhibit H, Power of Attorney

Fast Aid Success Systems shall be entitled to obtain relief to enforce this Power of Attorney The signatory below agrees to pay all attorneys' fees and costs incurred in connection with this Power of Attorney

Signed _____ Dated _____

[This Power of Attorney shall be invalid unless notarized]

© 2007 Plumbing M D Inc All Rights Reserved

EXHIBIT I

Current and Former Franchisees

Fast Aid Success Systems

CURRENT FRANCHISEES

1 Plumbing Doctor of Yolo County
955 Business Park Drive
Dixon, CA 95620
(707) 678-3659

2 Plumbing Doctor of Solano County
955 Business Park Drive
Dixon, CA 95620
(707) 678-3659

3 Plumbing Doctor of Yuba / Sutter Counties
1240 Market Street Ste 5
Yuba City, CA 95991
(530) 671-9111

4 Plumbing M D of Nevada
653 Marracco Dr Sparks, NV 89434
(775) 852-0111

5 Stutzman Services
4185 Spicer Drive SE
Albany, OR 97322
(541) 928-8942

FORMER FRANCHISEES

1 P S Plumbing Inc dba Plumbing Doctor
1420 E Roseville Pkwy
Roseville, CA 95611
916-426-2911

© 2007 Plumbing M D Inc All Rights Reserved

STATE COVER PAGE

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

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

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE

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

3 YOU MAY LOSE YOUR EXCLUSIVE TERRITORY IF YOU DO NOT MEET YOUR MINIMUM SALES REQUIREMENTS

4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date _____

Plumbing M.D.® / Plumbing Doctor®
OPERATIONS MANUAL
TABLE OF CONTENTS

Page No

SECTION 1 – *INTRODUCTION*

PURPOSE. 1-1
CONFIDENTIALITY 1-1
ADDITIONAL GUIDELINES. 1-1
MODIFICATION 1-1
WELCOME LETTER.. 1-2
THE INDUSTRY, THE MARKET, & OUR NICHE. 1-3
THE POWER OF THE BRAND 1-4

SECTION 2 – *PRE-OPENING PROCEDURES*

GETTING STARTED 2-1
- Establishing a Business Entity 2-1
- Permits and Licenses 2-1
- Insurance. 2-1
- Advertising 2-1
- Office and Warehouse Space 2-1
- Truck..... 2-2
- Supplies.. 2-2
- Miscellaneous 2-2

LICENSES, PERMITS, AND REGISTRATIONS.. 2-2
FEDERAL REQUIREMENTS 2-2
- Federal Tax Identification Number 2-2
- Form W-4 for Employees. 2-3
- Form I-9 for Employees. 2-3
- Form W-9 for Independent Contractors 2-3

STATE REQUIREMENTS. 2-3
- State Tax Identification Number 2-3
- Worker's Compensation Insurance 2-3
- Registration for Unemployment Insurance Credit. 2-3

CITY BUSINESS LICENSE OVERVIEW 2-4
SELECTING THE NAME OF YOUR LEGAL ENTITY.. 2-4
BUILDING PERMITS. 2-4
REQUIRED LABOR POSTERS. 2-4
OFFICE SIGNAGE..... 2-5
INTERNET PRIVACY POLICY.. 2-5
FACILITY REQUIREMENTS 2-5
- The Office Area. 2-5
- The Warehouse Area 2-5

Plumbing M.D.® / Plumbing Doctor®
OPERATIONS MANUAL
TABLE OF CONTENTS

Page No

Truck Parking 2-6
REQUIRED OFFICE EQUIPMENT & SUPPLIES 2-6
Office Equipment. 2-6
Computer Equipment 2-7
REQUIRED SERVICE EQUIPMENT & SUPPLIES 2-7
Drain Cleaning Equipment. 2-7
Power Tools 2-8
Recommended Brands and Models 2-8
Hand Tools 2-8
Digging Tools 2-9
Truck Tools. 2-9
INITIAL INVENTORY 2-9
Initial Warehouse Inventory 2-9
Initial Truck Inventory. 2-25
THE TRUCK. 2-35
Trade Dressing the Truck. 2-35
Outfitting the Truck 2-36
HUMAN RESOURCES 2-37
OVERVIEW. 2-37
PERSONNEL. 2-37
HIRING GUIDELINES. 2-37
Employment Ads. 2-38
Sample Ads. 2-38
Anticipating Needs. 2-39
Application. 2-39
Evaluating the Application. 2-40
Interviewing. 2-40
Conducting the Interview. 2-41
INSURANCE REQUIREMENTS. 2-44
ADVERTISING AND MARKETING 2-46
Marketing 2-46
The Logo. 2-46
Promoting. 2-46
Networking 2-46
Proactive PR. 2-47
Reactive PR. 2-47
Local Marketing and Advertising 2-47
Establish an Objective 2-47
Establish a Budget and Timeline. 2-48
Determine the Most Effective Local Marketing Method 2-48
Be an Expert in Your Business. 2-48
Ask for a Discount. 2-48
Tracking Your Ads 2-49

Plumbing M.D.® / Plumbing Doctor®
OPERATIONS MANUAL
TABLE OF CONTENTS

Page No

Calculating Unit Cost.. 2-49
Creating an Ad Binder 2-49
Summary. 2-49
Required Pre-Opening Marketing. 2-50
Matching Fund. 2-50
Advertising Options for Both Business Models 2-50
Conversion Business 2-51

SECTION 3 – *OPERATING THE BUSINESS*

RUNNING THE OFFICE AND WAREHOUSE.. 3-1
Overview 3-1
Daily Duties..... 3-3
Weekly Duties.. 3-13
Bi-Weekly Duties..... 3-16
Monthly Duties.... 3-17
CONDUCTING A SERVICE CALL THE PLUMBING M D ®/ PLUMBING DOCTOR®
WAY..... 3-17
Parking..... 3-18
Door Knocking and Common Courtesy 3-18
Greeting and First Impression 3-19
Diagnosis 3-20
Initial Paperwork. 3-20
The Full-Service Repair 3-21
Contract Completion. 3-22
Payment Process 3-24
Inventory Control.. 3-24

SECTION 4 – *SPECIAL PROGRAMS*

OVERVIEW. 4-1
CUSTOMER CARE PROGRAM.. 4-2
Benefits to the Customer. 4-2
Benefits to the Technician. 4-3
Benefits to the Franchise 4-3
Benefits During Slow Times. 4-3
Certificate Specifications. 4-4
CUSTOMER CARE PROGRAM ANNUAL INSPECTION.. 4-10
EVERFLOW DRAIN CLEANING PROGRAMS. 4-12
FLAT RATE PRICING / MENU PRICING 4-19
Advantages to Flat Rate Pricing.. 4-19
Pricing Categories 4-20

Plumbing M.D.® / Plumbing Doctor®
OPERATIONS MANUAL
TABLE OF CONTENTS

Page No

Presentation..... 4-21
Specific Requirements..... 4-21
TECHNICIAN FIELD BOOK 4-23
EMERALD LINE 4-31
PROPOSAL TEMAPLATES AND FORMS. 4-32

SECTION 5 – *ACCOUNTING, REPORTS & RECORDS*

RECORDS AND INSPECTION..... 5-1
CONTINUING ROYALTY PAYMENT PROCEDURE. 5-1
ADVERTISING PAYMENT PROCEDURE. 5-1
BALANCE SHEET 5-2
PROFIT AND LOSS REPORT..... 5-2
QUICKBOOKS DATABASE..... 5-2
INVOICE TRACKING. 5-2
GROSS SALES..... 5-4

SECTION 6 – *TRADEMARKS & LOGOS*

OVERVIEW 6-1
Status of Trademarks and Service Marks. 6-1
LOGOS 6-2
Reproductions. 6-3

SECTION 7 – *GRAPHIC STANDARDS*

Stationery Letterhead Size 7-1
Envelope Sizes..... 7-1
Layouts for Letterhead 7-1
Printing in Black Ink 7-1
Paper..... 7-1
Business Cards..... 7-1
Business Forms 7-1
Other Printed Material Specifications. 7-2
Uniform Requirements. 7-2
Logo 7-2
Other Logos. 7-2
Trade Name. 7-3
Use of Your D.B A. 7-3
Impermissible..... 7-3
Guidelines for Required Disclaimer 7-3
Grammatical Guidelines..... 7-3

Plumbing M.D.® / Plumbing Doctor®
OPERATIONS MANUAL
TABLE OF CONTENTS

Page No

SECTION 8 – *RECOMMENDED VENDORS*

PURPOSE 8-1
HOW THE PROGRAMS WORK 8-1
RECOMMENDED SUPPLIER LIST 8-1

SECTION 9 – *APPENDICES*

OVERVIEW 9-1
APPENDIX I – LISTS, FORMS, POLICIES, ETC. 9-2
APPENDIX II – TECHNICIAN FIELD BOOK 9-54
APPENDIX III – ADVERTISING PROGRAMS 9-75
APPENDIX IV – CONDUCTING A SERVICE CALL 9-94
APPENDIX V – EMERALD LINE 9-108