

FRANCHISE DISCLOSURE DOCUMENT

PUDDLE POOL SERVICES USA, INC.

A Wyoming corporation

133-20800 Lougheed Hwy

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Canada

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www.puddlepoolsfranchise.com



The franchisee will operate a professional residential and commercial pool, spa, hot tub, and water features cleaning and maintenance services business under the “Puddle Pool Services” trademarks.

The total investment necessary to begin operation of a Puddle Pool Services franchise ranges from \$95,100 - \$118,800. This includes \$49,500 that must be paid to the franchisor.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the disclosure document at least 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

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

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

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

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How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by mediation and litigation only in Wyoming. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in Wyoming than in your own state.
2. **Spouse Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.

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

PUDDLE POOL SERVICES USA, INC.
Franchise Disclosure Document

Table of Contents

ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATE	1
ITEM 2: BUSINESS EXPERIENCE	3
ITEM 3: LITIGATION	3
ITEM 4: BANKRUPTCY	4
ITEM 5: INITIAL FEES	4
ITEM 6: OTHER FEES	5
ITEM 7: ESTIMATED INITIAL INVESTMENT .	11
ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	14
ITEM 9: FRANCHISEE'S OBLIGATION	16
ITEM 10: FINANCING	17
ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	17
ITEM 12: TERRITORY	24
ITEM 13: TRADEMARKS	26
ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	27
ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	29
ITEM 16: RESTRICTIONS ON WHAT FRANCHISEE MAY SELL	29
ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	29
ITEM 18: PUBLIC FIGURES	35
ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS	35
ITEM 20: OUTLETS AND FRANCHISEE INFORMATION	36
ITEM 21: FINANCIAL STATEMENTS	38
ITEM 22: CONTRACTS	39
ITEM 23: RECEIPTS	39

LIST OF EXHIBITS

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process	
EXHIBIT B: Franchise Agreement with Attachments	
EXHIBIT C: Financial Statements of Puddle Pool Services USA, Inc.	
EXHIBIT D: Operations Manual Table of Contents	
EXHIBIT E: Outlets as of the date of this Disclosure Document	
EXHIBIT F: State Addenda	
EXHIBIT G: Franchisee Acknowledgement	
EXHIBIT H: General Release	
EXHIBIT I: Receipt	

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

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

We were formed as a corporation in the state of Wyoming on September 29, 2021. Our principal business address is 133-20800 Lougheed Hwy Maple Ridge, BC V4R 2S2, Canada, and our telephone number is 1-888-282-2590. We do business under our trade name, “Puddle Pool Services” and its associated design (the “Marks”). Our affiliate, Feels Like Friday, Inc. has registered, or has filed for registration, our primary service marks on the Principal Register of the United States Patent and Trademark Office. We do not own or operate any businesses of the type you will be operating. We have not offered franchises in any other line of business. We only offer franchises which operate under the “Puddle Pool Services” Marks. We began offering franchises on January 24, 2023.

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

Our Parents, Predecessors and Affiliates

We have no predecessor company.

We have no parent company.

Our affiliate, Puddle Pool Services Ltd., a British Columbia-based corporation, was incorporated on February 8, 2018, in the Province of British Columbia, Canada. Its principal place of business is 133 – 20800 Lougheed Highway, Maple Ridge BC V2X 2P7. Puddle pool has offered franchises for this business in Canada and they do not offer franchises in any other lines of business.

Our affiliate, Feels Like Friday Service Brands, Inc., a British Columbia-based corporation was incorporated initially under the name Amery Holdings Ltd. on March 9, 2012, in the Province of British Columbia, Canada. A name change was filed on June 20, 2018, changing the name to Feels Like Friday Service Brands, Inc. Its principal place of business is 133 – 20800 Lougheed Highway, Maple Ridge BC V2X 2P7. Feels Like Friday Service Brands, Inc. provides proprietary CRM software to our franchisees located within the United States and is the owner of the marks. It does not offer franchises in or operate a similar business to the one you will operate.

The Franchise Offered:

We offer franchises for the right to provide professional residential and commercial pool, hot tub, spa and water feature cleaning services under the Puddle Pool Services USA, Inc. Marks and using our distinctive operating procedures and standards in a

designated area (the “Franchised Business”). The Franchised Business will provide pool, hot tub, spa, and water feature cleaning of residential living and commercial spaces. The distinguishing characteristics of the Franchised Business include, but are not limited to, our distinctive and uniform trade dress standards, operations procedures, service methods, and methods for management, training, and marketing, all of which may be changed, improved, or further developed by us at any time (the “System”).

Market and Competition:

The market for your Franchised Business consists of residential and commercial customers. The market for our services is not seasonal but does have peak period in the warmer months. The market may also be affected by economic conditions and the demand of residential and commercial pool, hot tub, spa, and water feature need for cleaning in your designated territory.

The residential and commercial pool, hot tub, spa, and water feature cleaning service is established. You will compete with other professional cleaning services, offering services similar to those offered by your Franchised Business. There are other professional residential and commercial pool hot tub, spa, and water feature cleaning franchises, as well as independent businesses and individual providers that may offer similar services and products.

Industry Specific Regulations:

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

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

ITEM 2: BUSINESS EXPERIENCE

CEO/Founder: Mark Amery

Mark has been the Founder of multiple Service Based businesses with over 20 years of experience in the Home Services Sector. Mark has Founded and grown 5 Home Service Brands from "Zero to Hero" Building Systems and Playbooks to automate the specific service brand, Franchise Partner support, finding that "game changing" piece of the puzzle and implementing it within the systems.

Franchise Partner Chief Liason: Steff Shields

Steff has been a part of the Leadership Team for the majority of brands for 12+ years. Steff is our Pre and Post onboarding specialist. Steff and her Team develop all content for each specific location, work hand in hand with our IT team to ensure each territory is developed precisely within the Search Engine guidelines. Steff and her team are the direct contact for all

Franchise Partner IT Director: Tyler Nerada

Tyler has been a part of the Leadership Team for 15+ years. Tyler runs the initial and ongoing web development, coding, creation and maintenance of Puddle Power (proprietary CRM system) and over sees all initial SEO & PPC campaigns.

IT Director: TC Clark

TC has been a part of the Leadership Team for 15+ years. TC assists with the development of website, coding, creation and maintenance of Puddle Power (proprietary CRM system) and supports Franchise Partners directly.

Social Media Manager: Kain Presley

Kain has been a part of the Leadership Team for 1+ years. Kain develops and produces all Social Media content, posts, reels etc. for all Franchise and Corporate locations. Kain additionally hosts one on one's as well as group seminars for Puddle's Social Media platforms (Facebook/Instagram/TikTok/LinkedIn). Additionally, develops any collateral required for targeted locations that require additional assistance.

Field Operations: Michael Terry

Michael has been in the pool industry for 10+ years as well as being a licensed plumber. Michael and his Field Team play a large roll in the initial and ongoing training and support for all field operations. Michael and his Team are available directly through text, call, and email for immediate assistance for all Puddle Field Staff Members.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5: INITIAL FEES

We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee ranges from Forty-Nine Thousand and Five Hundred Dollars to Three Hundred and Forty-Three Thousand Five Hundred Dollars (\$49,500 - \$343,500) depending on how many Territories purchased. You can purchase a maximum of ten (10) contiguous territories under one Franchise Agreement. The Initial

Franchise Fee is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

Franchise Fees	
Total Territory(s) Purchased	Franchise Fees
1 Territory	\$49,500
2 Territories	\$91,500
3 Territories	\$129,000
4 Territories	\$163,500
5 Territories	\$193,500
6 Territories	\$223,500
7 Territories	\$253,500
8 Territories	\$283,500
9 Territories	\$313,500
10 Territories	\$343,500

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	7% of Gross Revenue or \$150 per week per territory, whichever is greater.	Weekly via ACH 5 business days following the close of each calendar week (Monday through Sunday).	Payable to us. See footnote 1.
Year 1 Required Minimum Expenditure for Local Marketing and Advertising	\$9,000 a year	Paid on the 13 th of each month, As incurred.	Payable to Us. See Item 11. See footnote 2.
Year 2 and Forward Required Minimum Expenditure for Local Marketing and Advertising	\$600 monthly but reserve the right to increase to \$700 monthly.	Paid on the 13 th of each month, As incurred.	Payable to Us. See Item 11. See footnote 2.
Brand Development Fund Contribution	2% of gross revenue per month. Subject to increases not to exceed 3% of monthly Gross Revenue.	Each Wednesday of every calendar month	Payable directly to the Brand Development Fund. See footnote 3.

Type of Fee	Amount	Due Date	Remarks
Regional Advertising Cooperative	Currently \$0. Fees for the cooperative will not to exceed one-half of the Local Advertising requirement or your pro-rata share of actual cooperative advertising costs, whichever is greater.	As determined by cooperative.	No cooperatives have been established as of the date of this Disclosure Document. You are required to join an advertising cooperative if one is formed.
Technology Fee	\$199 monthly, subject to increase to \$300 monthly.	Monthly, as required by provider	Payable to third-party suppliers or to us. See footnote 4.
Call Center Fee	\$249 monthly for first territory, \$99 a month per additional territories.	Monthly	The Call Center Fee is payable to us.
Required Third Party Bookkeeping/ Accounting Fees	\$450-\$650/month (Base Package)	As arranged with Third Party	Payable to third-party suppliers.
Late Fee	\$75	As incurred	If you fail to pay us the Royalty Fee, Brand Development Fund Fee, or if you fail to submit your Gross Revenue report when due, we may charge you \$75 for each late submission in addition to interest charges explained below.
Interest Charge	18% per annum or the highest interest rate allowed by applicable law, whichever is greater.	As incurred	If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.
Non-sufficient Funds Fee	\$250	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you a Non-sufficient Funds Fee.
Successor Agreement Fee	The greater of \$10,000 or 50% of the then-current initial franchise fee.	Before signing renewal agreement	Payable to us. See Item 17.

Type of Fee	Amount	Due Date	Remarks
Transfer Fee	The greater of \$10,000 or 50% of the then-current initial franchise fee. For transfer to: (i) an existing franchisee in good standing, the transfer fee is 50% of the then-current initial franchise fee, (ii) owner(s) of the franchisee entity that does not change management control, the transfer fee is \$1,500 and (iii) a spouse, parent or child upon death or permanent disability, the transfer fee is \$1,500.	Upon approval of the transfer	Payable to us. See Item 17
Initial Training	No charge for initial training of up to three (3) people. The fee for additional trainees, who attend the same training session as you, is equal to \$1,000 per person. You pay all travel and other related expenses incurred by all trainees.	Travel and related expenses are due as incurred.	Initial training takes place in Wyoming. You must pay the incidental costs of attendance, which include but are not limited to, airfare, transportation, hotel and food costs. Incidental costs are payable to third-party suppliers. Fees for additional trainees are payable to us.
Additional Training	No charge for mandatory training. You pay all travel and other related expenses incurred by you and your personnel to attend training.	As incurred.	See footnote 5.

Type of Fee	Amount	Due Date	Remarks
Remedial Training	Our then-current training per-diem rate plus expenses.	As incurred.	We may impose this fee, payable to us, if you request additional training at your premises from time-to-time, or if you are operating below our standards and we require you to have additional training. You must also pay the incidental costs of our trainer, which include but are not limited to, airfare, transportation, hotel and meals.
Examination of Books and Records	Cost of examination plus related expenses.	As incurred.	We have the right under the Franchise Agreement to examine your books, records and tax returns. If an examination reveals that you have understated any Gross Revenue report by two percent (2%) or more, you must pay to us the cost of the audit and all travel and related expenses, in addition to repaying monies owed and interest on the monies owed.
Customer Dispute Resolution Fee	Amount we refund to a customer on your behalf.	As incurred.	You must pay us this fee if we refund any amounts to your customer within 24 hours notice needed of a dispute and you will reimburse the franchisor within 10 days if a refund is issued on your behalf and to take payment of refunded amounts, at Franchisor's option, through electronic funds transfer or ACH payment.
Indemnification	Amount of loss or damages plus costs	As incurred.	See footnote 6.

Type of Fee	Amount	Due Date	Remarks
Reimbursement of Cost and Expenses for Non-compliance	Actual costs and expenses	As incurred.	Payable to us.
Reimbursement of legal fees and expenses	Our costs and expenses, including but not limited to attorneys' fees, incurred for your failure to pay amounts when due or failure to comply in any way with the Franchise Agreement.	As Incurred	Payable to us.
Insurance Reimbursement	Amount paid by us for your insurance obligations	As incurred	You must reimburse us for any insurance costs we pay on your behalf due to your failure to meet the insurance obligations required by the Franchise Agreement. Franchisee for the cost thereof together with an administrative fee of ten percent (10%) for Franchisor's expenses in so acting, including all attorneys' fees.
Taxes	Amount of taxes	When incurred.	You must reimburse us for any taxes that we must pay to any taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to any sales taxes or income taxes imposed by any authority.

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

¹ You must pay us a Continuing Royalty Fee equal the greater of seven percent (7%) of the Gross Revenue generated or \$150 weekly by your Franchised Business. "Gross Revenue" includes all sales of every kind and nature at or from your Puddle Pools location

or made pursuant to the rights granted to you by the Franchise Agreement, regardless of whether you have collected the amount of the sales. "Gross Revenue" does not include (i) receipts from any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, or (iii) properly documented promotional discounts (i.e., coupons). If you do not report any sales in a week then we will collect 120% of the last Continuing Royalty Fee collected and settle the balance the next week in which you report revenue. We must receive your payments on or before Wednesday of each week for the previous calendar week. You are required to set up authorization at your bank to allow us to electronically transfer funds from your bank account to our bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds.

² Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter. Your minimum spend is \$1,000 per month for the remaining three (3) quarters of the first year in total and then \$600 per month for the second year paid to us. All marketing will be done through our in-house marketing team. Additionally, you may not create your own social media platforms for your franchise business, such as Facebook, Twitter, LinkedIn, blogs or other networking and sharing websites, these will be provided by our in-house marketing team and access will be granted to the Franchisee.

³ You must pay directly to our Brand Fund a Brand Fund Contribution of two percent (2%) of monthly Gross Revenue, subject to increases not to exceed three percent (3%) of monthly Gross Revenue, generated by your location. Payments are due on the 5th business day of the month following the end of the calendar month. You are required to set up authorization at your bank to allow the Brand Fund to electronically transfer funds from your bank account to the Brand Fund's bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. If you do not report any sales in a week then the Brand Fund will collect 120% of the last Brand Fund Contribution collected and settle the balance the next week in which you report sales.

⁴ You are required to pay regular fees for access, support, and updates to our approved software. These fees are subject to change by the software providers. We have the right to substitute or add different approved technologies, which you must use.

⁵ We may offer mandatory and/or optional additional training programs from time to time. If we require it, you and your general manager must participate in refresher training for up to three (3) days per year, at a location we designate. We may also require you to attend a national business meeting or annual convention for up to five (5) days per year, at a location we designate. For all mandatory programs, we will provide, at no charge, the instructors and training materials. However, we reserve the right to impose a reasonable fee for such additional training programs that are not mandatory. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages.

⁶ You must indemnify and hold us, our parent, and affiliates, and all of our respective officers, directors, agents, and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in

connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

ITEM 7: ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ¹	\$49,500	Lump sum payment in cash or available funds	Upon signing the Franchise Agreement.	Us
Your Training Expenses ²	\$1,500 - \$2,500	As required for, transportation, lodging & meals	As required by suppliers of transportation, lodging & meals.	Suppliers of, transportation, lodging & meals.
Initial Marketing Launch	\$10,000 - \$15,000	As incurred	Before opening	Us
Initial Inventory of Tools, Equipment and Chemicals ³	\$7,500 - \$9,000	As incurred	Before opening	Us
Business Licenses and Permits	\$1,000 - \$2,500	As required by government agencies	Before opening, as required by government agencies	Government Agencies
Computer System ⁵	\$1,000 - \$3,000	As required by suppliers	Before opening	Suppliers
CRM Setup ⁶	\$1,000 – 2,000	As incurred	Before opening	Suppliers
Vehicle Lease ⁷	\$1,800 – \$5,100	As required by vendor, lessor, or lender	Before opening	Vendor, Lessor or Lender
Vehicle Wrap	\$5,000 - \$7,000	As incurred	As incurred	Suppliers
Professional Fees ⁸	\$2,000 - \$4,000	As required by providers	Before opening	Attorney, Accountant, Other Professional Service Providers
Uniform, Business Card, Other Physical Marketing Materials	\$2,000 - \$3,000	As required by supplier	As required by supplier	Suppliers
Insurance ⁹	\$800 - \$1,200	As required by insurer	Before opening	Insurer

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Operating Expenses / Additional Funds – 3 months ¹⁰	\$12,000- \$15,000	As incurred	In according with agreed-upon terms	Employees, suppliers, etc.
TOTAL	\$95,100- \$118,800			

¹ The amount stated in the Table is for one outlet operated pursuant to a single Franchise Agreement.

² The amount shown is the estimate of the franchisee's travel expense to British Columbia, Canada.

³ This estimate includes the office equipment required for your Franchised Business including desks, desk chairs, printers, and any other equipment we require in the operation of the Franchised Business.

⁴ All initial inventory for start-up and will include enough chemical supplies to last for the first 3 months the franchise business is open.

⁵ These estimates include a computer and mobile devices and other technology required to run your franchise business.

⁶ We require you to purchase a customer relationship management systems and software meeting our minimum specifications for use at your Franchised Business. This estimate includes the cost of our current required CRM system. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of sales information. We reserve the right to change your requirements for computer hardware and software at any time.

⁷ We will provide details on the type of vehicle that needs to be acquired in the operations manual. These amounts are estimates for leasing a vehicle. We have suppliers we require you to use to procure a vehicle lease.

⁸ You may incur professional fees depending on the scope of work performed, which may include, legal and accounting fees to review franchise documents and costs of forming a separate legal entity and/or obtaining zoning approval. This list is not exhaustive. This amount will vary greatly depending on your specific needs and location. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting your franchise.

⁹ Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. Insurance costs and requirements may vary widely in different localities. The estimate is for the first quarterly premium for

required minimum insurance coverage. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

¹⁰ This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three (3) months after commencing operations. This estimate is based off Puddle Pool franchises established in Canada. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate. This estimate includes such items as rent, utilities, internet service, initial payroll and payroll taxes, Royalties (as described in this disclosure document), Brand Fund Contributions, repairs and maintenance, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, and other miscellaneous items. These estimates do not include any compensation to you nor do they include debt service. These items are by no means all-inclusive of the extent of possible expenses.

We do not offer direct or indirect financing to franchisees for any items included in this section.

All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have identified various suppliers, distributors and manufacturers of equipment, inventory, supplies and services that your Franchised Business must use or provide which meets our standards and requirements. You must purchase all equipment, inventory, supplies and services from our designated suppliers and contractors or in accordance with our specifications. We maintain written lists of approved items of equipment, inventory, supplies and services (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We will update these lists periodically and issue the updated lists to all franchisees.

In addition to approved and/or designated vendors, we and our affiliates are approved suppliers of certain (i) equipment and (ii) marketing and promotion materials and services.

None of our officers owns an interest in any other supplier.

Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. The minimum insurance required is comprehensive general liability insurance, including coverage for errors and omissions and personal and advertising injury, in the amount of at least Five Hundred Thousand Dollars (\$500,000) per occurrence and Two Million Dollars (\$2,000,000) in the general aggregate; damage to rented premises insurance in an amount of Fifty Thousand Dollars (\$50,000) per occurrence; products comprehensive and in the aggregate in the amount of at least Two Million Dollars (\$2,000,000), or greater if required by state law; and coverage of at least Five Thousand Dollars (\$5,000) or greater if required by state law for medical expenses; Workers Compensation & Employment Liability Coverage required coverage of One Million Dollars (\$1,000,000); and Automotive Insurance required coverage of One Million Dollars (\$1,000,000). Each policy must be written by a responsible carrier or carriers acceptable to us and must name us, and our respective officers, directors, partners, agents, and employees as additional insured parties, and contain a waiver of the insurance company's rights of subrogation against us.

We approve suppliers after careful review of the quality of the products and services they provide to us and our franchisees. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the item and/or supplier meets our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will notify you whether we approve or disapprove of the proposed item or supplier within 6 months after we receive all required information to evaluate the product or service. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge you an evaluation fee.

We will derive revenue from your purchase of initial equipment and marketing materials. In the fiscal year ending December 31, 2022, we did not receive any revenue from required purchases by franchisees.

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

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately between 75% and 80% of your costs to establish your Franchised Business and approximately less than 15% of your costs for ongoing operation.

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

Although we do not do so currently, we may in the future negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.

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

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition/Lease	8.1	11, 12
b. Pre-Opening Purchase/Leases	8.2, 12.3.1	7, 11
c. Site Development & other Pre-Opening Requirements	8.1, 8.2, 12.1.1	11
d. Initial and Ongoing Training	Article 7	11
e. Opening	8.2	11
f. Fees	Article 6, 7.3 7.4, 12.3.7, 12.9,13.2, 13.3.1,15.6, 16.4, 18.1.4, 18.1.5, 19.1.5 20.8	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, 11.4, Article 12, 19.1.1	8, 11
h. Trademarks and Proprietary Information	9.3, Article 14, 19.2, 19.3, 19.4	13, 14
i. Restrictions on Products/Services Offered	12.8	8, 16
j. Warranty and Customer Service Requirements	12.6	Not Applicable
k. Territorial Development and Sales Quotas	13.2	12
l. Ongoing Product/Service Purchases	Not Applicable	8
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.7, 12.1.9	Item 11
n. Insurance	Article 15	7
o. Advertising	12.1.8, Article 13	6, 11

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
p. Indemnification	12.4, 12.5, 15.6, 16.3.6, 21.1	14
q. Owner's Participation, Management, Staffing	11.1, 11.3, 12.1.3, 12.1.4	11, 15
r. Records/Reports	12.2	6
s. Inspections and Audits	12.1.5, 12.2.4, 12.9	6, 11
t. Transfer	Article 16	17
u. Renewal	Article 5	17
v. Post-Termination Obligations	Article 18	17
w. Non-Competition Covenants	19.5	17
x. Dispute Resolution	Article 20	17
y. Guaranty (Spouse)	11.3, Attachment 5	15

ITEM 10: FINANCING

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

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

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

1. Pre-Opening Obligations

Before you open your Franchised Business, we will:

- a. designate the boundaries of your territory (Franchise Agreement, Section 8.1).
- b. provide the Puddle Pool Services Operations Manual and other manuals and training aids we designate for use in the operation of your Puddle Pool Services, as they may be revised from time to time (Franchise Agreement, Section 10.2).
- c. provide a written list of equipment, supplies and products that will be required to open the Franchised Business that we will obtain for you. (Franchise Agreement, Section 10.3).

- d. provide you with initial training at our headquarters in Vancouver, British Columbia or any location we specify. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Section 7.1).

2. Time to Open

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Franchised Business is sixty (60) days. Before you may open, you must (i) complete our Initial Management Training Program, (ii) hire and train your staff, if required, (iii) acquire all equipment, computer systems, software, and applications, (iv) obtain required licenses to operate the Franchised Business, and (v) set up your home/mobile office. Factors that may affect this time period include your ability to acquire license and permits and completion of required training. If you have not opened your Franchised Business within one hundred and twenty (120) days after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original time as extended, is a default of the Franchise Agreement. (Franchise Agreement, Sections 8.2).

3. Obligations After Opening

During the operation of your franchise, we will:

- a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training and/or attend an annual business meeting or franchisee conference for up to five (5) days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals, and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs (Franchise Agreement, Section 7.3).
- b. upon your request, or as we determine to be appropriate, provide remedial in-territory training and assistance. For any in-territory training, you must reimburse all costs for the services of our trainer, including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals, and lodging (Franchise Agreement, Section 7.4).
- c. upon your request, provide individualized assistance to you within reasonable limits by telephone or electronic mail subject at all times to availability of our personnel and in reasonable limits (Franchise Agreement, Section 7.5).
- d. from time to time, as may become available, provide you with samples or digital artwork of advertising and promotional materials (Franchise Agreement, Section 10.4).

- e. maintain the Puddle Pool Services website with a link to your Franchised Business contact information (Franchise Agreement, Section 12.3.6).
- f. provide you with any written specifications for required equipment, products and services and provide you with updated lists of any approved suppliers of these items (Franchise Agreement, Section 10.5).
- g. subject to applicable law, recommend minimum and maximum prices for the services and products offered by your Franchised Business. You may provide your Franchised Business services and products at any price that you determine within our parameters. Our suggested prices are not a representation, warranty or guarantee that such prices will enhance your sales or profit (Franchise Agreement, Section 12.7).
- h. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within ten (10) business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within ten (10) business days, the proposed material and/or campaign is deemed “disapproved”. (Franchise Agreement, Section 13.6); and
- i. approve your office location, if you choose to relocate to commercial premises, which approval is in our sole discretion (Franchise Agreement, Section 10.1).

4. Advertising

Local Advertising (Franchise Agreement, Sections 13.2, 13.5 and 13.6)

On your behalf, through our in-house marketing team we will conduct an initial marketing campaign during the ninety (90) days following the opening of your Franchised Business.

We require you to spend in Year 1 at least Nine Thousand Dollars (\$9,000) on initial local advertising and promotional activities for your Franchised Business. From Year 2 and moving forward you are required to spend at least Six Hundred Dollars (\$600) per year on local advertising to promote your Franchised Business.

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

We do provide for placement of local advertising on your behalf, and we have no obligation to spend any amount on advertising in your area or territory. You are not responsible for local advertising placement. You must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, you may do cooperative advertising with other Puddle Pool Services franchisees in your area, with our prior written approval. You may not maintain any business profile on Facebook,

Twitter, LinkedIn, YouTube, or any other social media and/or networking site without our prior written approval.

System-wide Brand Fund (Franchise Agreement, Section 13.3)

You are required to contribute to the Brand Development Fund two percent of gross revenue (2%) per month., Franchisor reserves the right to increase to (3%) per month. Each Puddle Pool Services outlet operated by our affiliate or us will contribute to the Brand Development Fund on the same basis as System franchisees.

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

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

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

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

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

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

No Brand Development Fund contributions were required, made, or expended in our most recently concluded fiscal year, which ended on December 31, 2023. Although the Brand Development Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Development Fund, however, until all monies in the Brand Development Fund have been spent for advertising

or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

Regional Advertising (Franchise Agreement, Section 13.4)

Currently, our System has no regional advertising fund or cooperative. However, we may decide to establish a regional fund or cooperative in the future and your participation may be mandatory, in our sole discretion. A regional cooperative will be comprised of all franchised Puddle Pool Services outlets in a designated geographic area. Our affiliate-owned outlets may participate in a regional cooperative, in our sole discretion. Each Puddle Pool Services outlet will have one vote in the cooperative. We will determine in advance how each cooperative will be organized and governed. We have the right to form, dissolve, merge or change the structure of the cooperatives. If a cooperative is established during the term of your Franchise Agreement, you must sign all documents we request and become a member of the cooperative according to the terms of the documents. Currently, there are no governing documents available for your review.

If we establish a regional advertising fund or cooperative, you must contribute amounts we require. Your contributions to a regional advertising fund or cooperative will be in addition to your required contributions to the Brand Fund; however, contributions made by you to a regional advertising fund or cooperative will be credited against up to one-half of your required expenditures for local advertising. Fees for the cooperative will not to exceed one-half of the Local Advertising requirement or your pro-rata share of actual cooperative advertising costs, whichever is greater.

Advertising Council (Franchise Agreement, Section 9.5)

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

5. Computer Systems (Franchise Agreement, Section 12.3)

You are required to have an internet-capable laptop computer and smart phone that can operate the latest versions of software and computer platforms we require. You are required to use the current mobile app for business functions along with our CRM System, our proprietary software PuddlePower.com, and QuickBooks online for bookkeeping. The current software access fees are approximately \$199 per month, subject to increase.

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

We have no obligation to maintain, repair, update or upgrade your computer hardware and software. At your cost, you must provide on-going maintenance and repairs to your

computer hardware and software. You must upgrade your computer hardware and software as necessary to operate the most current version of our System requirements. We cannot estimate the cost of maintaining, updating, and upgrading your computer hardware and software because it will depend on the make and model of your computer, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

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

6. Table of Contents of Operations Manual

The Table of Contents of our Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit D. The Operations Manual has a total of approximately 34 pages.

7. Training (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or all of your owners (if the franchisee is a business entity) and your general manager must complete 86 hours of Initial Management Training Program, to our satisfaction, before opening your Franchised Business. We will train you at our headquarters in Vancouver, British Columbia, Murrieta, CA or Las Vegas, NV or at a location we specify.

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Phase 1: Integration Weeks 1 & 2	0	16	Virtual
Phase 2: Virtual Training Weeks 3	14	0	Virtual
Phase 3: Finalized Items & Implementation Weeks	0	8	Virtual
Phase 4: In Person Training Weeks 5	24	24	Virtual
TOTALS	38	48	

We periodically conduct our Initial Training Program throughout the year, as needed, approximately every four weeks. Training is currently provided under the supervision of Mark Amery. There may be additional instructors supervised by Mark.

Our CEO, Mark Amery, has 22 years of business and franchise experience. He has managed the United States wing of the business as CEO since its inception in 2021. Founder of multiple Service Based businesses with over 20 years' experience in the Home Services Sector. Mark has founded and grown five Home Service Brands from "Zero to Hero" Building Systems and playbooks to automate the specific service brand, Franchise Partner support, finding that "game changing" piece of the puzzle and implementing it within the systems. With a proven successful track record from all the brands, Mark's leadership, caring and compassion for the Franchise Partners' success, establishing systems, branding and developing a fun, business-oriented culture is what sets him apart.

Our training materials consist of cleaning supplies, a training manual, and all relevant paperwork. You should bring a cellphone, laptop, and planner. You will receive both classroom instruction and hands-on training. You may not commence operation of the Franchised Business unless and until we determine that you have successfully completed the Initial Management Training Program.

The cost of our instructors, training materials and up to 90 hours of off-site training for up to three (3) people is included in the Initial Franchise Fee. You must pay for all of travel and personal expenses, including, but not limited to, all costs for your transportation and most meals for yourself and your personnel. Our current fee to provide initial training to any additional trainees who attend training with you is \$1,000 per person.

Any additional requested training days outside of the 86 hours of virtual training, will be billed at a reasonable fee plus expenses. The franchisor will not provide any on-site training unless requested.

If you do not complete our Initial Management Training Program to our satisfaction, we reserve the right to terminate the Franchise Agreement.

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

ITEM 12: TERRITORY

Under the Franchise Agreement, you have the right to establish and operate one (1) Puddle Pool Services outlet within a limited protected territory (the "Protected Area"). Your Protected Area is located in all or a portion of a listed town, city, or county, and is identified by a group of contiguous zip codes. The Protected Area is determined on an individual basis taking into account demographics, minimum numbers of households with pools not including spas, hot tubs and/or water features, geographic terrain, and market potential. Your Protected Area will have a minimum household with pools of 10,000, based on the most recent census data and determined by a third-party mapping service. Your Protected

Area will be defined and attached to your Franchise Agreement as Attachment 2. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

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

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

The Franchise Agreement entitles you to operate from an office in your home. You may not change the location of your Franchised Business office, except in accordance with the requirements of Section 8.3 of the Franchise Agreement. You may only relocate the Franchised Business office with our consent. We consider the general location, neighborhood and demographic characteristics of the area when approving a site. You are required to remove all identifying signs and property from the original office location.

We reserve all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate, or authorize others to own or operate Puddle Pool Services outlets outside of the Protected Area and may operate other kinds of businesses within the Protected Area. Although we do not currently do so and have no plans to do so, we and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business.

We may offer you the first right to service Commercial Accounts in your Protected Area, provided that you accept the negotiated terms.

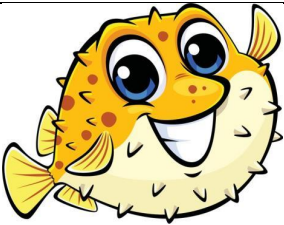
We reserve the rights to offer (i) other services and products not offered under the Marks, (ii) other cleaning products under the Marks or other trademarks, and (iii) products or services through other channels of distribution in the Protected Area including, but not limited to, co-branding with other residential and commercial pool, hot tub, spa, and water feature cleaning businesses, and products offered through retail stores, the Internet or direct marketing ("Alternate Channels of Distribution"). You will receive no compensation for our sales through Alternative Distribution Channels in the Market Area.

You may not use Alternative Distribution Channels to make sales inside or outside your Protected Area; however, we will include a listing on our website of your Puddle Pool Services Franchised Business contact information. You may only solicit sales from customers in your Protected Area. Your local advertising must target customers in your

Protected Area, although the reach of your local advertising may extend beyond your Protected Area. You may service a customer located outside of your Protected Area, provided that (i) the customer is a prior client of yours and/or solicited your service to provide cleaning of a pool, hot tub, spa, and water feature located outside of the Protected Area or (ii) a referral source in your Protected Area requests that you perform residential and commercial cleaning services at a property located outside of the Protected Area or (iii) you otherwise obtain our prior approval.

ITEM 13: TRADEMARKS

Feels Like Friday Service Brands, Inc. (“Licensor”) is the owner of the Marks and has granted us the exclusive right to use the Marks and license to others the right to use the Marks in the operation of a Puddle Pool Services outlet in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Puddle Pool Services Marks, as described below (the “Principal Marks”).

Mark	Registration Number	Registration Date	Register
PUDDLE POOL	7198630	October 24,2023	Principal
	6911129	November 29, 2022	Principal

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

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

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

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

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

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

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

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

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

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

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

If you develop any new concept, process, product, service, or improvement ("Improvement") in the operation or promotion of the Franchised Business, you are required promptly notify us and provide us with all requested information relate to the Improvement and sign all documents necessary for us to obtain full proprietary rights to the Improvement. We have no obligation to compensate you for the Improvement or for any cost you incur to sign over your rights to the Improvement to us.

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information,

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

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

We reserve the right to modify or discontinue using the subject matter covered by a patent or copyright. In such event, we may require you, at your expense, to modify or discontinue using the subject matter in the operation of your Franchised Business.

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

The Franchise Agreement does not require that you personally supervise and manage the day-to-day operation of your Franchised Business. You may appoint a non-owner manager of your Franchised Business. Your manager must successfully complete our Initial Business Training Program and all other training courses we require. Your manager must devote full time to the job and cannot have an interest or business relationship with any of our competitors. If the franchisee is a business entity, your manager is not required to have an equity interest in the franchisee entity but must otherwise meet our approval.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Non-Disclosure/Non-Competition Agreement, which is attached to our Franchise Agreement as Attachment 7. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Personal Guaranty, which is attached to our Franchise Agreement as Attachment 5.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You may only offer and sell the products and services that are part of the System, and the services and products which we incorporate into the System in the future. You may only offer products and services that we have previously approved and for which you are qualified to provide.

You may not use our Marks for any other business, and you may not conduct any other business at or through your Franchised Business operations or office. You cannot engage in any other business that competes with your Franchised Business, with us or our affiliates, or with Puddle Pool Services outlets owned by other franchisees, whether such business is inside or outside of the Territory.

We may add to, delete from, or modify the products and services that you can and must offer. You must abide by any additions, deletions, and modifications. There are no other limits on our rights to make these changes.

You may only sell products and services in the manner we prescribe. You may only solicit sales from customers in your Protected Area. Your local advertising must target customers in your Protected Area, although the reach of your local advertising may extend beyond your Protected Area.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Art. 4	Term is ten (10) years
b.	Renewal or extension of the Term	Art. 5	If you are in good standing as defined below, you can renew for one (1) additional term of ten (10) years each, unless we have determined, in our sole discretion, to withdraw from your Territory.
c.	Requirements for franchisee to renew or extend	Sections 5.1 and 5.2	Be in full compliance, have no more than three (3) events of default during current term, provide written notice to us at least ten months before the end of the term, execute a new franchise agreement, pay us a renewal fee equal to ten percent (50%) of our then-current Initial Franchise Fee, repair, upgrade or replace the equipment and other Franchised Business assets to meet then-current specifications, execute a general release, comply with then-current qualifications and training requirements, including completion of additional training, subject to state law. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.

	Provision	Section in Franchise Agreement	Summary
d.	Termination by franchisee	Not Applicable	The Franchise Agreement does not give you any right to terminate. You may seek termination upon any grounds permitted by law.
e.	Termination by franchisor without cause	Section 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
f.	Termination by franchisor with cause	Article 17	We may terminate only if you default, subject to state law. The Franchise Agreement describes defaults throughout. Please read it carefully.
g.	“Cause” defined – curable defaults	Section 17.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).

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

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

	Provision	Section in Franchise Agreement	Summary
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b) we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Upon termination of the Franchise Agreement, we have the option to purchase your equipment, signs, advertising materials, supplies and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, customers or referral sources of any Puddle Pool Services outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee, or agent, in any competing business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees. Subject to state law.
r.	Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers or referral sources of any Puddle Pool Services business (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 25 miles of your former Puddle Pool Services Territory or any other Puddle Pool Services office location; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees. Subject to state law.
s.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 21.4	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.

	Provision	Section in Franchise Agreement	Summary
t.	Integration/merger clause	Section 21.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 20.2 and 20.3	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, subject to state law.
v.	Choice of forum	Section 20.5	Litigation takes place in Wyoming, subject to applicable state law.
w.	Choice of law	Section 20.5	Wyoming law applies, subject to applicable state law.

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

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

Historical Financial Performance Representation

As of December 31, 2023, there were 12 Franchised Businesses and 1 Corporate Business in operation (the "**Units**"). This included any corporate units owned and operated by the Franchisor. As explained in more detail below, this historical financial performance representation includes certain performance information reported to us.

The Gross Sales data for the 2023 Calendar Year included in this Item 19 was converted from Canadian Dollars to U.S. Dollars with the historical exchange rate of \$1 CAD = \$0.781576 USD as of December 31, 2023. You should review the currency exchange rates at the time you are considering purchasing a franchise from us.

THE INFORMATION BELOW IS OUR CANADIAN OUTLETS

Chart 1:
Opening Date for the Franchises in Operation for the 2023 calendar year

Location	Opening Date
Franchise #1 (Hamilton/Burlington) Canada	August 1, 2022
Franchise #2 (Maple Ridge) Canada	June 1, 2022

Chart 2:
2023 Corporate Location P&L

2023 CORPORATE LOCATION P & L	CAD	USD
4200 Services	544,817.92	425,816.61
Total Income	544,817.92	425,816.61
COST OF GOODS SOLD		
5405 Reimbursed Expenses	0	
5700 Supplies and materials - COS	116,321.56	90,914.14
6540 Subcontractors	15,865.21	12,399.87
Total Cost of Goods Sold	\$132,186.77	\$103,314.00
GROSS PROFIT	\$412,631.15	\$322,502.60
EXPENSES		
6050 Advertising	6,800.00	5,314.71
6060 Consulting Fees	2,850.00	2,227.49
6100 Auto		
6150 Auto - Lease	17,280.66	13,506.15
6155 Auto - Fuel	28,849.36	22,547.97
6160 Auto - Insurance	10,429.52	8,151.46
6165 Auto - R&M	6,290.91	4,916.82
6250 Bank charges	1,179.12	921.57
6255 Bookkeeping	4,531.25	3,541.52
6260 Call Centre	1,251.30	977.99
6310 Uniforms	985	769.85
6380 Insurance - Liability	4,069.15	3,180.35
6390 Interest expense	122.51	95.75
6410 Legal and professional fees	2,200.00	1,719.47
6415 Accounting Expense	2,000.00	1,563.15
6420 Meals and entertainment	10,792.31	8,435.01
6430 Office expenses	12,564.21	9,819.88
6450 Parking	2,171.88	1,697.49

6460 Payroll Expenses	48,000.00	37,515.65
6461 Manager Payroll Expenses	62,850.45	49,122.40
6465 WCB Expense	694.8	543.04
6490 QuickBooks & POS Fees	15,784.85	12,337.05
6495 Rent/Storage & Security	656.04	512.75
6500 Repair and maintenance	126.09	98.55
6510 Research & Development	231.75	181.13
6520 Shipping and delivery expense	407.68	318.63
6560 Suspense	11,841.56	9,255.08
6570 Taxes and Licenses	110	85.97
6580 Telephone	11,733.04	9,170.26
6610 Travel	596.22	465.99
6620 Travel meals	1,903.87	1,488.02
6650 Utilities	487.78	381.24
6655 PUDDLE CONVENTION		
6658 Travel - Meals	3,799.61	2,969.68
6659 Travel	5,553.27	4,340.30
6660 Travel- Entertainment	4,956.77	3,874.09
Total Expenses	\$284,100.96	222,046.49
OTHER INCOME		
7100 Interest earned	6.25	4.88
7130 PST Commission	78.46	61.32
Total Other Income	\$84.71	66.21
OTHER EXPENSES		
8050 Penalties and settlements	90.04	70.37
Total Other Expenses	\$90.04	70.37
PROFIT	\$128,180.69	\$100,182.95

Chart 3:
2023 Hamilton Location P&L

2023 HAMILTON LOCATION P & L	CAD	USD
4200 Services	191,895.37	149,980.82
Total Income	\$191,895.37	\$149,980.82
COST OF GOODS SOLD		
5405 Quickbooks Fees	4,837.42	3,780.81
5700 Supplies and materials - COS	34,029.57	26,596.70
6540 Royalties/Mgmt Fees	12,289.79	9,605.40
Total Cost of Goods Sold	\$51,156.78	39,982.91
GROSS PROFIT	\$140,738.59	109,997.90

EXPENSES		
5152 Bookkeeping	2,268.75	1,773.20
5155 Accounting Expense	390	304.81
5225 Meals and entertainment	575.57	449.85
5232 Call Centre Fees	792	619
5235 Office expenses	2,129.71	1,664.53
5350 AUTO EXPENSES		
5355 Gas	11,495.12	8,984.31
5360 Auto Insurance	3,759.18	2,938.08
5365 Auto R&M	2,570.58	2,009.10
5366 Auto Lease Expense	6,540.27	5,111.72
5637 Tools	822.75	643.04
5640 Bank charges	556.9	435.26
5655 Parking & Tolls	44.81	35.02
5665 Advertising	26208.48	20,483.92
5755 Insurance - Liability	1,003.32	784.17
5760 Travel	662.25	517.6
5765 Travel meals	391.41	305.92
5770 Uniforms	1,719.94	1,344.26
Wages	42,240.00	33,013.77
Total Expenses	104171.04	81,417.58
OTHER INCOME		
7450 Other Income	1,092.51	853.88
PROFIT	\$37,660.06	\$29,434.20

Chart 4:
2023 Maple Ridge Location P&L

2023 MAPLE RIDGE LOCATION P & L	CAD	USD
4200 Services	175,748.11	137,360.50
Total Income	\$175,748.11	137,360.50
COST OF GOODS SOLD		
5005 Royalties	11,304.27	8,835.15
5020 Cost of Labour - COS	300	234.47
5045 Supplies	20,703.64	16,181.47
Total Cost of Goods Sold	\$32,307.91	25,251.09
GROSS PROFIT	\$143,440.20	112,109.42
EXPENSES		
4023 Business Development	141.63	110.69
5405 Telephone Expense	3,270.80	2,556.38
5410 Small Tools	404.41	316.08
5425 Meals and entertainment	2,434.46	1,902.72
5435 Bank charges	809.71	632.85
5440 Office expenses	2,922.67	2,284.29
5455 Dues and Subscriptions	453.36	354.34

5460 Advertising	9,947.23	7,774.52
5600 Auto Expenses		
5605 Auto Repairs & Maint	1,062.06	830.08
5610 Auto - Gas/Fuel	6,773.70	5,294.16
5615 Auto - Insurance	5,354.71	4,185.11
5620 Uniforms	953.45	745.19
5650 Parking	276.44	216.06
5655 Call Centre	1,089.00	851.14
5660 CRM Fee	1,089.00	851.14
5725 Travel	3,232.71	2,526.61
5730 Travel meals	412.73	322.58
5750 QuickBooks Payments Fees	923.48	721.77
Legal and professional fees		
5575 Bookkeeping	2,118.75	1,655.96
5580 Legal Fees	284.67	222.49
5585 Accounting Expense	2,200.00	1,719.47
Payroll Expenses		
Taxes	1,130.45	883.53
Wages	42,240.00	33,013.77
Shareholders Draw		
TOTAL		
Total Expenses	89,525.42	69,970.92
OTHER INCOME		
6950 Other Income	549.76	429.68
OTHER EXPENSES		
PROFIT	\$54,464.54	\$42,568.18

Chart 5:
Average Job Size and Total Jobs for the 2023 Calendar Year

	Total Customers	Average Customer Value *
Corporate (Canada)	565	\$561.17
Maple Ridge (Canada)	266	\$515.06
Hamilton (Canada)	308	\$486.93

Notes to Chart 5:

1. "Total Customers" includes all the customers that had services completed in 2023
2. The "Average Customer Value" for each of the calendar years was calculated by adding together the gross revenue of all jobs performed by all units that operated for any period during the given year, and dividing that number by the total number of jobs performed during the given calendar year.

- The “Average Customer Value” has been converted from Canadian Dollars to U.S. Dollars with the historical exchange rate of \$1 CAD = \$0.781576 USD as of December 31, 2023.

Chart 6:
Same Store Growth For Franchisees for the 2023 Calendar Year

Franchisee	2022 Gross Revenue*	2023 Gross Revenue*	% Difference
Franchisee #1 (Maple Ridge, Canada)	\$63,689.85	\$137,132.98	+115%
Franchisee #2 (Hamilton, Canada)	\$29,982.04	\$149,980.52	+133%
Corporate (Canada)	\$221,905.84	\$425,815.89	+62%

Notes to Chart 6:

- This chart disclosed the Average Gross Revenue Growth for these franchise units in the 2023 Calendar Year. Same Store Growth is defined as the percentage of growth from Calendar Year 2022 to Calendar Year 2023.
- Franchisee #1 was only in operation for six months in 2022.
- Franchise #2 was only in operation for five months in 2022.
- The “Gross Revenues” have been converted from Canadian Dollars to U.S. Dollars with the historical exchange rate of \$1 CAD = \$0.781576 USD as of December 31, 2023.

Chart 7:
Average Expenses of Franchised Units as a Percentage of Annual Gross Revenue for the 2023 Calendar Year

Expense Category	Average Expenses of Franchised Units as a Percentage of Annual Gross Revenue
COGS	
Technician Labor Costs	22%
Material Costs	14.76%
Royalty	7.0%

Call Center & Technology Fee	1.0%
TOTAL COGS	44.76%
GROSS PROFIT	55.24%
OPERATING EXPENSES	
Insurance Costs	1%
Payment Processing Fees	2%
Marketing & Advertising Costs	8%
General & Administrative Costs	5.74%
Vehicle Costs	9.97%
TOTAL OPERATING EXPENSES	26.71%
NET PROFIT	28.53%

Notes to Chart 7:

1. This chart includes certain average annual expense information for the 2023 Calendar Year as reported by the Franchised Units that were open in the 2023 Calendar Year.
2. Labor Costs include hourly wages (regular and overtime), performance incentives, bonuses, payroll taxes, and other benefits
3. Material Costs include all disposable materials needed to complete jobs. For example, this would include chemicals, sundries, and other supplies.
4. Vehicle Costs include amounts expended on GPS, tolls, tracking, parking, fines and violations, fuel, repairs, and maintenance for the vehicles used in connection with operating the Franchised Business
5. Insurance Costs include amounts expended on commercial automobile, general liability, worker's compensation, cargo, umbrella, and other insurance coverage expenses
6. Payment Processing Fees include amounts expended on processing payments, including credit cards, for the business accepted by the Franchised Units
7. Marketing & Advertising Costs include amounts expended on marketing and advertising by the Franchised Businesses
8. General & Administrative Costs include expenses for human resources, professional and development dues, printing and postage, office supplies and equipment, travel, meals and entertainment, clothing and apparel, software, licenses, permits and fees, service charges, gifts, and bad debt expenses, as reported to have been expended by the Franchised Businesses

9. Royalty, Call Center, and Technology fees include amounts paid for royalty fees, Call Center Fees, advertising fund contributions and technology fees, all of which were uniformly imposed as to the Franchised Businesses
10. Total of Above Costs is the sum of the average totals. Please note that this chart does not include all expenses including, but not limited to, debt service, office wages (for operations and/or administrative personnel), office rent and utilities, and other fees paid to us. Please see Item 6 for all fees.

General Notes To Item 19

1. In some instances, when calculating averages, variations in calculations occurred which are associated with rounding figures compounded by the computational difficulty encountered in calculating the average of an average. The differences in the calculations are not errors and they should be considered accurate.

2. The figures above do not include certain costs associated with the establishment and operation of a Franchised Business, including: initial franchise fees; build-out and equipment costs; and wages. The above figures also exclude finance charges. Interest expense, interest income, depreciation, amortization, and other income or expenses will vary substantially from business to business, depending on the amount and kind of financing you obtain to establish your Franchised Business, as well as your credit history.

3. You should consult with your tax advisor regarding tax liabilities, depreciation and amortization schedules, and the period(s) over which the assets of the business may be amortized or depreciated, as well as the effect, if any, of recent or proposed tax legislation. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees listed in this disclosure document may be one source of that information.

4. **The numbers represented above have been submitted by the Franchised and Corporate Businesses in Canada and the US.** There is one (1) corporate unit in the US, one (1) corporate unit in Canada, and eleven (11) franchised units in Canada. The majority of the numbers represented come from Canadian Franchised Businesses. Funds in Canada are based on CAD, funds in the US are based on USD.

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

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 Mark Amery, 133-20800 Lougheed Hwy Maple Ridge, BC V4R 2S2, Canada 1-888-282-2590 the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	1	+1
Company – Owned*	2021	0	0	0
	2022	0	1	+1
	2023	1	1	0
Total Outlets	2021	0	0	0
	2022	0	1	+1
	2023	1	2	+1

Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

Table No. 3
Status of Franchised Outlets
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Florida	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Total	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

Table No. 4
Status of Company Owned* Outlets
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
None	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
Total	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	0
	2023	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
Total	0	0	0

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

Exhibit E lists the location of each Puddle Pool Services franchisee in our System.

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

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

ITEM 21: FINANCIAL STATEMENTS

Puddle Pool Services USA Inc. was formed on September 29, 2021. Because we have not been in business for three (3) years, we are not able to include the three (3) prior years of audited financial statements normally required by this Item 21. Our audited balance sheet dated as of December 31, 2023 and December 31, 2022 is included in Exhibit C.

Our fiscal year end is December 31st.

ITEM 22: CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in Exhibit B. These include our Franchise Agreement and all attachments to it (Marks, Territory Description, Statement of Ownership Interests in Franchisee, Spousal Guaranty, Internet, Social Media, and Telephone Account Agreement, and Confidentiality and Non-Compete Agreement) Authorization Agreement Automatic Deposits (ACH Withdrawals), Conditional Assignment of Lease, and Franchise Fees.

ITEM 23: RECEIPT

A receipt in duplicate is attached to this Disclosure Document. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Mark Amery, Puddle Pool Services, 133-20800 Lougheed Hwy Maple Ridge, BC V4R 2S2, Canada.

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

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

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8222 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B
FRANCHISE AGREEMENT

PUDDLE POOL SERVICES USA, INC.

DATA SHEET

Franchisee: _____
(Individual(s) and _____
Entity, if applicable) _____

Spouse Guarantor(s): _____

Effective Date: _____

Territory Count: _____

Territory/Territories Description: _____

Initial Franchise Fee: _____

The terms of this Data Sheet are incorporated into the attached Franchise Agreement.

**PUDDLE POOL SERVICES USA, INC.
FRANCHISE AGREEMENT**

TABLE OF CONTENTS

<u>1.</u>	<u>RECITATIONS</u>	3
<u>2.</u>	<u>GRANT OF FRANCHISE</u>	3
<u>3.</u>	<u>SOLICITATION AND SALES RESTRICTIONS</u>	3
<u>4.</u>	<u>TERM</u>	4
<u>5.</u>	<u>RENEWAL OPTIONS</u>	4
<u>6.</u>	<u>FEES</u>	6
<u>7.</u>	<u>TRAINING</u>	8
<u>8.</u>	<u>FRANCHISED BUSINESS SITE REQUIREMENTS</u>	10
<u>9.</u>	<u>MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED BUSINESS AND SYSTEM</u>	11
<u>10.</u>	<u>FRANCHISOR’S OBLIGATIONS</u>	13
<u>11.</u>	<u>FRANCHISEE’S REPRESENTATIONS, WARRANTIES AND COVENANTS</u>	13
<u>12.</u>	<u>FRANCHISEE’S OPERATIONS</u>	16
<u>13.</u>	<u>ADVERTISING, PROMOTIONS AND RELATED FEES</u>	22
<u>14.</u>	<u>INTELLECTUAL PROPERTY</u>	26
<u>15.</u>	<u>INSURANCE AND INDEMNIFICATION</u>	28
<u>16.</u>	<u>TRANSFERS</u>	30
<u>17.</u>	<u>DEFAULTS</u>	35
<u>18.</u>	<u>POST-TERMINATION</u>	38
<u>19.</u>	<u>NON-DISCLOSURE AND NON-COMPETITION COVENANTS</u>	41
<u>20.</u>	<u>DISPUTE RESOLUTION</u>	45
<u>21.</u>	<u>GENERAL</u>	48

List of Attachments:

- ATTACHMENT 1: Trademarks
- ATTACHMENT 2: Territory Description
- ATTACHMENT 3: Initial Fee
- ATTACHMENT 4: Statement Of Ownership Interests In Franchisee/Entity
- ATTACHMENT 5: Guaranty
- ATTACHMENT 6: Internet Advertising, Social Media And Telephone Account Agreement
- ATTACHMENT 7: Confidentiality And Non-Compete Agreement
- ATTACHMENT 8: Authorization Agreement Automatic Deposits (ACH Withdrawals)
- ATTACHMENT 9: Conditional Assignment of Lease

THIS FRANCHISE AGREEMENT (this “Agreement”) is being entered into this day of _____ (the “Effective Date”) by and between Puddle Pool Services USA, Inc., a Wyoming corporation with its principal place of business at 133-20800 Lougheed Hwy Maple Ridge, BC V4R 2S2, Canada (herein “Franchisor”) and _____ a(n) Florida corporation, with its principal place of business located at _____ (“Franchisee”) and _____ principal _____, an individual residing at _____ (“Principal”). _____ and Principal(s) shall be individually and collectively referred to in this Addendum as the “Franchisee”.

RECITATIONS

Franchisor has developed and established a business that provides professional residential and commercial pool and jacuzzi cleaning and maintenance services business. These services can be performed as a one-time thorough cleaning or on a set repeat schedule.

The System is identified by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the service mark “Puddle Pool Services”, as set forth in Attachment 1, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the “Marks”).

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

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

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

1. RECITATIONS. The Recitations set out above form part of this Agreement.

2. GRANT OF FRANCHISE. Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a Puddle Pool Services franchise (the “Franchise” or “Franchised Business”), that provides professional residential and commercial pool, spa, hot tub, and water features cleaning and maintenance services, using only the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved and further developed by Franchisor from time to time. This grant applies only within a territory that is designated in Attachment 2 attached hereto and incorporated herein (the “Territory”).

3. SOLICITATION AND SALES RESTRICTIONS.

- 3.1 **Territory.** This Agreement grants Franchisee the right to operate the Franchise Business within the Territory. Subject to Sections 3.2 below, Franchisor agrees that during the Term of this Agreement, Franchisor will not, and Franchisor will not permit any other Puddle Pool Services franchisees, to operate a Puddle Pool Services business in the Territory using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee is not in default under this Agreement, or this Agreement has not been terminated. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate or franchise Puddle Pool Services franchises around, bordering, and adjacent to the Territory. Except as set forth in this Agreement, Franchisee is prohibited from serving and soliciting customers outside of the Territory and from alternative methods of distribution as more fully specified herein.
- 3.2 **Reservation of Rights.** Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. By way of example only, Franchisor reserves the rights to offer (i) other services and products not offered under the Marks, (ii) other residential and commercial cleaning or products under the Marks or other trademarks, and (iii) products or services through other channels of distribution in the Territory including, but not limited to, co-branding with other residential pool cleaning businesses, and products offered through retail stores, the Internet or direct marketing (“Alternate Channels of Distribution”). Franchisor further specifically reserves the right to solicit, sell to, negotiated rates with, and service residential pool cleaning service companies that conduct business across multiple areas or have multiple locations either regionally or nationally. Franchisor may offer Franchisee the right to service Commercial Accounts in the Territory, provided that Franchisee accept negotiated terms; otherwise, Franchisor may service the Commercial Accounts either directly or permit another franchisee to provide such service. Franchisee will receive no compensation for Franchisor’s sales through Alternate Distribution Channels or declined Commercial Accounts made within the Territory. Franchisee agrees that such implementation of Franchisor’s rights pursuant to this Section 3.4 is deemed not to impair or injure Franchisee’s rights pursuant to Section 2 hereof.
4. **TERM.** Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above and terminate on the date that is ten (10) years following the Opening Date, as defined in Section 8 hereof (the “Term”).
5. **SUCCESSOR AGREEMENT OPTIONS.** Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the “Successor Franchise Agreement”) for one (1) additional terms of ten (10) years. The term of each such Renewal Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged a renewal fee equal to fifty percent (50%) percent of the then-current initial franchise fee.

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

- 5.1.1 Not less than nine (9) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).
- 5.1.2 Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within sixty (60) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.
- 5.1.3 The Renewal Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.
- 5.1.4 If Franchisee fails to perform any of the acts or deliver any of the notices required pursuant to this Section 5.1 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Renewal Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.
- 5.1.5 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.

5.2 Conditions of Successor Agreement. Franchisee's right to enter into a Successor Franchise Agreement is conditioned upon the following:

- 5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, Franchisor's operations manual ("Manual") and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.
- 5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the then current Term of this Agreement, whether or not such defaults were cured.
- 5.2.3 Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.
- 5.2.4 Franchisee performs such repairs, upgrades and replacements as Franchisor may require causing the Franchised Business equipment, computer system, vehicle(s)

and other assets to conform to the then-current specifications for franchised businesses on the renewal date.

5.2.5 Franchisee shall execute a general release of all claims Franchisee may have against Puddle Pool Services, its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.

5.2.6 Franchisee shall pay the required Renewal Fee and sign the Renewal Franchise Agreement.

5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new Puddle Pool Services franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then-current form of Renewal Franchise Agreement at the time Franchisee advises Franchisor pursuant to Paragraph 5.2 hereof that Franchisee desires to renew, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate renewal term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then current form of Renewal Franchise Agreement. Any timeframes specified in this Paragraph 5 shall be inclusive of any state mandated notice periods.

5.4 Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to renew this Franchise as a result of a decision to withdraw from the Territory in which Franchisee's Franchised Business is located.

6. FEES.

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

6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee in the amount set forth on Attachment 3 (the "Initial Fee"). **The Initial Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances.** Franchisee shall pay the full amount of the Initial Fee to Franchisor upon Franchisee's execution of this Agreement.

6.1.2 Royalty Fee. Franchisee agrees to pay Franchisor, weekly throughout the Term, a royalty fee equal to the greater of (i) seven percent (7%) of the Gross Revenue, or (ii) One Hundred and Fifty Dollars (\$150.00), as hereinafter defined, realized from

the Franchised Business and from any other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets (the "Royalty Fee"). The term "Gross Revenue" includes all revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenues also include all proceeds from any business interruption insurance. Excluded from Gross Revenues are: (1) sales taxes and other taxes separately stated that Franchisee collects from customers and pays to taxing authorities; (2) refunds and credits made in good faith to arms' length customers, provided such credits or refunds are made in accordance with Franchisor's standards and specifications; and (3) the discount value of any voucher or other allowance that Franchisor authorizes at the time Franchisee redeems the customer's voucher or allowance.

6.1.3 Gross Revenue Reports. Franchisee shall, on or before the fifth (5th) day of each calendar month, furnish Franchisor with a report showing Franchisee's Gross Revenue at or from the Franchised Business and/or made pursuant to the rights granted hereunder during the immediately prior calendar month (the "Gross Revenue Report"). The Gross Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. At Franchisor's discretion, Franchisee shall submit the Gross Revenue Report by an electronic transfer of data via the computer information systems ("Computer System") that Franchisor requires Franchisee to use in the operation of the Franchised Business.

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

6.2 Late Fee. If the Royalty Fee, Brand Development Fund Contribution, other fee due and payable to Franchisor or any Gross Revenue Reports are not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of Seventy-Five Dollars (\$75.00) for each late submission. This late fee is reasonably related to Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay the Royalty Fee, the

Brand Development Fund Contribution, and/or submit Gross Revenue Reports in accordance with the terms of this Agreement.

- 6.3 Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of 18% per annum or at the highest rate permitted by law, whichever is lower.
- 6.4 Non-Sufficient Funds Fee. In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of Two Hundred Fifty Dollars (\$250.00) per occurrence. This non-sufficient fund fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.
- 6.5 Call Center Fee. Franchisor reserves the right to establish a regional or national call center with a fee equal to Two Hundred and Forty-Nine Dollars (\$249.00), subject to increase at Franchisor's discretion. In the event that a call center is established, Franchisee shall pay to Franchisor or to such call center(s) fees for all calls directed to Franchisee for services to be performed in the Territory in accordance with such call center's then-current fee schedule and Franchisor's requirements.
- 6.6 Technology Fee. Franchisor reserves the right to impose an technology fee, in an amount of One Hundred and Ninety-Nine Dollars (\$199.00), for new or improved technology adopted, developed, or otherwise required by Franchisor for the benefit of the System and Franchised Business, including but not limited to, assigned phone numbers and email addresses required for use in the Franchised Business, a franchise portal, benchmarking platform or other operations or communications systems ("Technology Fee"). In Franchisor's sole discretion, Franchisor may (i) increase the amount of the Technology Fees or (ii) replace the technology with different technology, developed by Franchisor or a third-party, and Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto. Payment of the Technology Fee will be made in the manner and frequency as determined by Franchisor, when there is an increase in costs from third party vendors.
- 6.7 Taxes. If any sales, excise, use, or privilege tax is imposed or levied by any government or governmental agency on Franchisor for any Royalty Fee, Brand Development Fund Contribution, or other fees due and payable to Franchisor under this Agreement, Franchisee shall pay Franchisor a sum equal to the amount of such tax.

7. TRAINING.

- 7.1 Initial Management Training Program. Franchisee shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial management training program ("Initial Management Training Program") prior to the opening of the Franchised Business. The Initial Management Training Program will consist of eighty (80) hours in

a location designated by the Franchisor or virtually. Franchisor reserves the right to designate an alternate location for the Initial Management Training Program. Franchisee must at all times during the term of this Agreement have a principal who has successfully completed the Initial Management Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to three (3) individuals to take the Initial Management Training Program prior to opening the Franchised Business ("Initial Trainees"). Additional people can attend if requested and approved for a fee of One Thousand Dollars (\$1,000). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, most meals, and wages.

- 7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Management Training Program. If the Initial Management Training Program is not satisfactorily completed by the Initial Trainees, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial Management Training Program cannot be satisfactorily completed by Franchisee or a Principal, Franchisor may terminate this Agreement.
- 7.3 Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's principals shall participate in the following additional training:
- (i) on-going training at a location designated by Franchisor.
 - (ii) a national business meeting or annual convention at a location designated by Franchisor.

The total amount of required ongoing training and/or annual meetings will be five (5) days or less per year. Franchisor reserves the right to impose a reasonable fee for all additional training programs. If Franchisor requires the Franchisee to participate in refresher training for up to three (3) days per year, at a location we designate. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals, and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal, and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.

- 7.4 Remedial Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide phone or screen-share remedial training and assistance to Franchisee's personnel. For any additional on-site training, Franchisee shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.
- 7.5 Counseling and Assistance. In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge, unless such assistance is provided in Territory pursuant to Section 7.4, furnish consultation and assistance to Franchisee, either in person or by telephone, fax, electronic mail or postal service, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding employee training, marketing, operation issues, bookkeeping and System improvements.

8. FRANCHISED BUSINESS SITE REQUIREMENTS.

- 8.1 Franchisee shall commence operation of the Franchised Business from a home-based office or shared office. If Franchisee desires to operate out of a commercial office location during the Term after the first year of the Term, such office location is subject to Franchisor's approval, and in accordance with Section 8.3 hereof. Franchisee assumes all cost, liability, expense, and responsibility for equipping and outfitting the Franchised Business office as outlined in the Manual.
- 8.2 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Upon Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business, which shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) satisfactorily complete Franchisor's Initial Management Training Program, as further set forth in Article 7, (ii) hire and train staff, if required, (iii) obtain all required licenses to operate the Franchised Business, (iv) obtain all equipment Franchisor requires, including but not limited to, computer systems, software, applications, and vehicle in accordance with Franchisor's standards. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within one hundred and twenty (120) days following the date of this Agreement, unless otherwise extended by Franchisor, shall be deemed a material event of default under this Agreement.
- 8.3 No Relocation. Franchisee's rights to operate the Franchised Business shall be limited to the location set forth in Attachment 2, and no other. Franchisee shall not relocate the Franchised Business at any time without Franchisor's written approval, which approval

shall be granted only in the sole and complete discretion of Franchisor, and if permitted, shall be at Franchisee's sole expense and subject to the following:

8.3.1 Franchisee shall continue to operate at the original Franchised Business site, where feasible, until construction of the new site is complete and ready to commence operation;

8.3.2 Franchisee shall construct and develop the new site to conform to Franchisor's then-current specifications for design, appearance, and leasehold improvements for new Franchised Businesses;

8.3.3 Franchisee shall remove any signs or other property from the original Franchised Business location which identified the original Franchise Business location as part of the System;

8.3.4 If Franchisee is required to suspend operations at the original Franchised Business location, Franchisee agrees that, during the build-out, decorating and furnishing of the new site, and at Franchisor's sole and absolute discretion: (i) the term of this Agreement shall not be abated, and (ii) Franchisee shall remain liable to pay a minimum Royalty Fee and Brand Fund Contribution that is equal to the average amount paid by Franchisee during the four (4) calendar quarters immediately preceding the date that operations cease or the shorter period that Franchisee had been in business at the original Franchised Business location; and

8.3.5 Franchisor shall issue a revised Attachment 2, in accordance with Section 8.1.5, to reflect the address of the new Franchised Business location.

8.3.6 If a relocation site acceptable to Franchisor is not identified within ninety (90) days following Franchisee's request to relocate, Franchisor may terminate this Agreement.

8.3.7 If Franchisor does approve relocation, Franchisee shall pay Franchisor Five Thousand Dollars (\$5,000.00) prior to the re-opening of the Franchise Business (Relocation Fee).

9. MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED BUSINESS AND SYSTEM.

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

- 9.2 Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment, including but not limited to, the Computer System, telecommunications hardware and software, payment processing systems, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.
- 9.3 System Services. From time to time, Franchisor, in Franchisor's sole discretion, may modify or add to the residential and commercial pool cleaning services offered by the Puddle Pool Services. Upon written notice by Franchisor, Franchisee shall incorporate all modifications and additions to the services offered by Franchised Business, and Franchisee shall (i) purchase, or otherwise obtain access to, all necessary equipment, software, applications and/or supplies to perform such modified or additional services and (ii) attend any additional training, in accordance with Section 7.4 hereof, as Franchisor may direct.
- 9.4 No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the additions or modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the additions and modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.
- 9.5 Franchisee Advisory Council. Franchisor reserves the right to create (and if created the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on a franchisee's level of success, superior performance, and profitability.
- 9.6 Trade Dress Modifications.
- 9.6.1 Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new exterior store designs, new interior decors, new color schemes, new or modified marks, and new furnishings (collectively, "Trade Dress Modifications").
- 9.6.2 Upon Franchisor's request, Franchisee shall refurbish the Franchised Business location and/or Franchisee's vehicle(s) at Franchisee's sole expense, as required by Franchisor, to conform to Trade Dress Modifications. This includes, without limitation, structural changes, remodeling, redecoration, and modifications to existing improvements. Notwithstanding the foregoing restriction on the frequency of Trade Dress Modifications, Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer

desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.

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

10. FRANCHISOR'S OBLIGATIONS.

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

- 10.1 Territory and Site Determination. Designate the boundaries of Franchisee's Territory, by description and/or mapped boundaries, and set forth same in Attachment 2 attached hereto and incorporated herein. Franchisor shall also approve a commercial site of the Franchised Business office location in accordance with Section 8.3, if applicable.
- 10.2 Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the Internet, at Franchisor's sole and absolute discretion.
- 10.3 Pre-Opening Requirements. Provide Franchisee a written list of other equipment, signage, supplies and products that will be required and/or recommended to open the Franchised Business for business.
- 10.4 Advertising Materials. Provide samples or digital artwork of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.
- 10.5 List of Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of approved and/or recommended suppliers of products and services for System franchisees.
- 10.6 Training. The training programs specified in Article 7 herein.
- 10.7 On-Going Assistance. Post-opening assistance in accordance with the provisions of Article 7.
- 10.8 Brand Development Fund. Administer a Brand Development Fund in accordance with Section 13.3.

11. FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

- 11.1 Best Efforts. Franchisee, including each of Franchisee's Principals, covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.
- 11.2 Corporate Representations. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each Principal represent, warrant, and covenant that:
- 11.2.1 Franchisee is duly organized and validly existing under the state law of its formation;
 - 11.2.2 Franchisee is duly qualified and is authorized to do business in the jurisdiction of the Franchised Business location and the Territory;
 - 11.2.3 Franchisee's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;
 - 11.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee;
 - 11.2.5 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete, and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments, or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent, or otherwise, that are not reflected as liabilities; and
- 11.3 Spousal Guaranty. If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 5 hereof.
- 11.4 Appointment of Manager.
- 11.4.1 Franchisee may designate and retain a general manager ("General Manager") to direct the operation and management of the Franchised Business location. Franchisee shall designate its General Manager prior to attending the Initial Management Training Program. The General Manager shall be responsible for the daily operation of the Franchised Business location.
 - 11.4.2 The General Manager shall, during the entire period he or she serves as General Manager, meet the following qualifications:

- 11.4.2.1 The General Manager shall meet Franchisor's standards and criteria for such individual, as set forth in the Manual or otherwise in writing by Franchisor and shall be an individual otherwise acceptable to Franchisor in its sole discretion.
- 11.4.2.2 The General Manager shall devote his or her full time and best efforts to the supervision and management of the Franchised Business, and may not engage in any other competitive business activity without the Franchisor's consent, which may be withheld in Franchisor's sole discretion.
- 11.4.2.3 The General Manager shall satisfy the training requirements set forth in Article 7.
- 11.4.3 If the General Manager is not able to continue to serve in such capacity, or no longer qualifies to act as such in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate a replacement within thirty (30) days after the General Manager ceases to serve, such replacement being subject to the same qualifications required by this Agreement. Franchisee's replacement General Manager shall attend and satisfactorily complete the Initial Management Training Program, at Franchisee's sole cost and expense, including the payment of the then-current tuition. Until such replacement is designated and trained, Franchisee shall provide interim management of the Franchised Business, who shall act in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement. Franchisor, in Franchisor's sole discretion, may provide interim management support and charge Franchisee twenty percent (20%) of the Gross Revenue generated by the Franchised Business during Franchisor's operation thereof until such General Manager is properly trained or certified in accordance with Franchisor's requirements, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, and shall be withdrawn from Franchisee's designated bank account in accordance with Section 6.1.3.
- 11.5 Legal Compliance. Franchisee shall comply with all federal, state, and local laws, rules and regulations and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, fictitious name registrations, sales and other tax permits, any permits, certificates, or licenses required by any industry regulatory agency or association and any other requirement, rule, law, or regulation of any federal, state or local jurisdiction.
- 11.6 Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business.

Any and all media inquiries concerning the Franchised Business, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.

11.7 Assignment of Numbers and Listings. At Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers and listings; and provide Franchisor with passwords and administrator rights for all email and social media accounts used or created by Franchisee. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.

11.8 Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.

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

12. FRANCHISEE'S OPERATIONS.

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

12.1.1 Use only those furnishings, fixtures, décor, equipment, vehicles, supplies and signage that conform with Franchisor's specifications and/or which shall be purchased from only those vendors designated and approved by Franchisor;

12.1.2 Maintain and operate the Franchised Business location and all vehicles in use in the Franchised Business in attractive condition and good repair, using Franchisee's best

efforts to maintain a clean, enjoyable and inviting atmosphere thereabout in accordance with System standards, the Manual and all other directives and requirements of Franchisor, and do such redecoration, repairing, refurbishing and restoration as from time to time may be reasonably required to meet System standards and Franchisor's requirements as they may be modified from time to time. Franchisee, at Franchisee's sole expense, shall cause Franchisee's vehicles to be (i) regularly serviced in accordance with any warranty and manufacturer's guidelines and the Manual and (ii) inspected, in accordance with state law. Franchisee shall further file all required state registrations and inspection reports. Franchisor reserves the right to set specifications and standards of condition, age, and branding, as set forth in the Manual, of vehicles used in the Franchised Business;

- 12.1.3 Procure the necessary licenses, permits, and otherwise comply with all applicable governmental laws, ordinances, rules, and regulations including those related to health and sanitation;
- 12.1.4 Maintain sufficient inventories and supplies, as prescribed by Franchisor;
- 12.1.5 Conduct sales in accordance with Franchisor's standards and specifications, as set forth in the Manual and other directives of Franchisor. Franchisee acknowledges and accepts that Franchisee may only engage in providing professional residential and commercial pool, spa, hot tub, and water features cleaning and maintenance services. Franchisee is expressly prohibited from selling products on the internet, to dealers and/or to distributors for subsequent re-sale, and engaging in such sales shall be a material default of this Agreement;
- 12.1.6 Employ only qualified individuals who are trained in accordance with Franchisor's standards, including but not limited to the protection of Franchisor's confidential and proprietary information, and who will at all times enhance Franchisor's brand and conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation of the System. Franchisee shall use its best efforts to ensure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to patrons of the Franchised Business. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;
- 12.1.7 Permit Franchisor or its agents, to inspect the Franchised Business location and any services, products, or equipment, to determine whether they meet Franchisor's then-current standards, specifications, and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for

Franchisor's inspection costs of any item that does not conform to the System standards and specifications;

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

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

12.2 Bookkeeping and Reports.

12.2.1 Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures and chart of accounts specified by Franchisor. Franchisee agrees to purchase the Computer Systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's Proprietary Information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System.

12.2.2 Within thirty (30) days following the close of each calendar month and within ninety (90) days after the close of each fiscal year, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Franchisee's annual statements and balance sheets shall be prepared by an independent certified public accountant and certified to be correct.

12.2.3 The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate.

- 12.2.4 Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.
- 12.2.5 Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds that any Gross Revenue Report was understated by two percent (2%) or more, Franchisee shall reimburse Franchisor for the cost of such examination. Franchisee shall pay Franchisor any amounts due for understated Gross Revenue together with interest thereon at a rate equal to the lesser of (i) eighteen percent (18%) per annum, or (ii) the maximum commercial contract interest allowed by law. Such understatement may be considered a material default hereunder. Two (2) such understatements during the term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein.

12.3 Computer Systems.

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

- 12.3.4 Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.
- 12.3.5 Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the speed required by Franchisor from time to time. Franchisee shall use the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the Internet except as provided and specifically permitted herein.
- 12.3.6 Franchisor has established a website that provides information about the System and the services and products offered by the Puddle Pool Services System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include a listing on its Website of Franchisee's contact information. Franchisee has no ownership or other proprietary rights to Franchisor's Website and Franchisee will lose all rights to such listing of Franchisee's contact information upon expiration or termination of this Agreement for any reason.
- 12.3.7 In addition to Franchisee's obligations pursuant to Section 6.6 hereof, Franchisee shall pay all other fees and expenses for technology required by this Agreement, including but not limited to, the costs of computer hardware and software, regularly recurring fees for software and Internet access, license fees, help desk fees, licensing, or user-based fees.
- 12.3.8 Franchisee is solely responsible for maintaining the security and integrity of the computer and payment processing systems used in the Franchised Business and the customer and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software and Internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and payment processing systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.
- 12.4 Safety and Security. Franchisee is solely responsible for the safe and secure operation of the Franchised Business and the services provided thereby for Franchisee, Franchisee's personnel, customers, agents, and the general public. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims made against Franchisor regarding safety or security.
- 12.5 Employee Background Check. Franchisee shall conduct a background review of every prospective employee's criminal history and any other histories (such as motor vehicle, medical and/or credit histories) that Franchisor requires and that Franchisee determines to

be necessary and appropriate, prior to hiring. Franchisee shall not hire any prospective employee for any position involving entrance to a residence if such prospective employee's background review indicates, in Franchisee's sole discretion, a propensity for violence, dishonesty, negligent, reckless, or careless behavior, or a conviction for any crime. Notwithstanding the foregoing, all matters of employment and the safety of Franchisee's customers and their clients are within Franchisee's discretion and control. Franchisor shall not be liable to Franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims, demands or actions against Franchisor arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for torts allegedly committed by any employee or agent of Franchisee).

- 12.6 Customer Dispute Resolution. Franchisee acknowledges Franchisor's philosophy that exceeding customers' expectations is essential to Franchisee's success as well as the reputation and success of the System and other Puddle Pool Services franchisees and that all System franchisees shall endeavor to go above and beyond expectations and generosity in all customer dealings. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the complete satisfaction of each of Franchisee's customers; (ii) apply the highest standards of customer service and use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; (iii) respond to customer complaints in a courteous, prompt, and professional manner; (iv) use its best efforts to promptly and fairly resolve customer disputes; and (v) within twenty-four (24) hours of receiving a request from Franchisor, provide Franchisor a written summary of the dispute. If Franchisee fails to resolve a dispute with a customer, for any reason whatsoever, Franchisor, in its sole discretion and for the sole purpose of protecting the goodwill and reputation of the System and the Marks, may (but shall not be obligated to) investigate the matter and take such action as Franchisor may deem necessary or appropriate to resolve the dispute fairly and promptly, including, but not limited to, the issuance of a refund on Franchisee's behalf. Within ten (10) days after receiving notice thereof, Franchisee shall reimburse Franchisor for any amounts refunded to a customer on Franchisee's behalf. **Franchisee hereby authorizes Franchisor to take payment of refunded amounts, at Franchisor's option, through electronic funds transfer or ACH payment.** Nothing contained in this Section or any other provision of this Agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

- 12.7 Prices. Subject to applicable law, Franchisor will recommend minimum and maximum prices for services and products offer by Franchisee. Franchisee shall have the right to sell its services and products at any price within Franchisor's parameters. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits. Nothing herein shall be construed to require Franchisor to establish prices for the Franchised Business.

12.8 Unapproved Item/Suppliers. If Franchisee desires to purchase, lease, or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to using such product, service, or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to collect any cost incurred to the Franchisor from the evaluation. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within six (6) months after Franchisor receives all required information to evaluate the product, service, or supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.

12.9 External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, customer surveys and periodic quality assurance audits ("Quality Review Services"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall subscribe, to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.

12.10 Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

13. ADVERTISING, PROMOTIONS AND RELATED FEES.

13.1 Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and

specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

13.2 Local Advertising.

13.2.1 In addition to the ongoing advertising contributions set forth herein, and following the expenditures set forth in Section 13.2.3 below, Franchisee shall pay to the Franchisor in their first year of this Agreement, not less than One Thousand Dollars (\$1,000.00) per month subject to reasonable increases upon notice by Franchisor, for advertising placed by the Franchisor for the Franchised Business in the Territory (“Local Advertising”). From the second year forward until the end of the Term of the Agreement, the advertising fee paid to the Franchisor shall be a minimum of Six Hundred Dollars (\$600.00) per month, Franchisor reserves the right to implement an increase to Seven Hundred Dollars (\$700.00). Franchisor may require Franchisee to allocate to a regional advertising cooperative, as described in Section 13.4, some or all of Franchisee’s required Local Advertising expenditures. Such allocation will be in partial or full satisfaction of Franchisee’s obligations pursuant to this Section 13.2.1.1. Franchisor reserves the right to collect some or all of Franchisee’s Local Advertising expenditure and implement Local Advertising on Franchisee’s behalf.

13.2.2 Within ten (10) business days of Franchisor’s request, Franchisee shall provide a quarterly expenditure report accurately reflecting Franchisee’s expenditures in the Territory for the preceding quarterly period. The following costs and expenditures incurred by Franchisee shall **not** be included in Franchisee’s expenditures on Local Advertising for purposes of this Section, unless approved in advance by Franchisor in writing: (i) incentive programs for employees or agents of Franchisee; (ii) research expenditures; (iii) salaries and expenses of any of Franchisee’s personnel to attend advertising meetings, workshops or other marketing activities; (iv) charitable, political or other contributions or donations.

13.2.3 In addition to the requirements of Section 13.2.1, Franchisee shall spend at least Ten Thousand Dollars (\$10,000.00) on Local Advertising and grand opening promotional activities within the Territory during the ninety (90) days prior to the opening of the Franchised Business to promote the opening of the Franchised Business. Franchisee shall conduct Franchisee’s grand opening campaign in accordance with plans approved by Franchisor pursuant to Section 13.3.

13.3 Brand Development Fund.

13.3.1 Franchisor has established a national Brand Development Fund (the “Brand Development Fund”) on behalf of the System for national advertising and marketing. Franchisee is required to contribute two percent (2%) of the gross revenue per month with the right reserves to increase but not exceed three percent (3%), to the Brand Development Fund (“Brand Development Fund Contribution”). Payments will be made in the same manner and time as the Royalty Fees.

- 13.3.2 Franchisor shall direct all advertising and marketing programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.
- 13.3.3 Franchisor will contribute to the Brand Development Fund on the same basis as Franchisee with respect to Puddle Pool Services outlet operated by Franchisor or Franchisor's affiliates.
- 13.3.4 Franchisor may use the Brand Development Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website; and personnel and other departmental costs for advertising that Franchisor internally administers or prepares).
- 13.3.5 The Brand Development Fund will be operated solely as a conduit for collecting and expending the advertising contributions for the System. The Brand Development Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Development Fund and such costs and expenses pursuant Section 13.3.4. Franchisor further reserves the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Development Fund contributions. The Brand Development Fund and its earnings shall not otherwise inure to Franchisor's benefit.
- 13.3.6 Franchisor will prepare an unaudited annual statement of the Brand Development Fund's operations and will make it available to Franchisee upon request. In administering the Brand Development Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.
- 13.3.7 Although the Brand Development Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Development Fund, however, until all monies in the Brand Development Fund have been spent for advertising or promotional purposes

or returned to contributors, without interest, on the basis of their respective contributions.

- 13.4 Regional Advertising Cooperative. Franchisor reserves the right to establish, in Franchisor's sole discretion, a regional advertising cooperative. If a regional advertising cooperative is established during the term of this Agreement, Franchisee agrees to sign all documents Franchisor requests to become a member of the cooperative according to the terms of the documents. If Franchisor establishes a regional cooperative, then, in addition to required Brand Development Fund Contributions, Franchisee agrees to contribute up to one-half of Franchisee's Local Advertising requirement to the cooperative; provided, however, if a vote of the cooperative members increases the required cooperative contribution, Franchisee shall contribute such increased amount.
- 13.5 Directory Listings. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories in the Territory and on the Internet. Franchisor reserves the right to establish online accounts on Franchisee's behalf. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Instagram, Twitter, LinkedIn, YouTube, or any other social media and/or networking site without Franchisor's prior written approval and use of any social media accounts shall be in strict accordance with Franchisor's requirements. Franchisee shall provide Franchisor with all passwords and administrative rights to any and all social media accounts for the Franchised Business, and Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking whatever action as is necessary for the best interest of the System, if Franchisee fails to maintain such accounts in accordance with Franchisor's standards.
- 13.6 Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the Puddle Pool Services brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

14. INTELLECTUAL PROPERTY.

14.1 Ownership.

14.1.1 Franchisee expressly understands and acknowledges that Feels Like Friday Services Brands, Inc. (“Licensor”) is the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Licensor claims copyrights on certain material used in the System, including but not limited to its website, documents, advertisements, promotional materials, and the Manual, whether or not Franchisor has filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor’s trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the “Intellectual Property”.

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

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

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

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

14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor’s or Licensor’s rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor or Licensor with all assignments, affidavits, documents, information and assistance Franchisor or Licensor reasonably requests to fully vest in Franchisor or

Licensors all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor or Licensor to register, maintain and enforce such rights in the Intellectual Property.

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

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

14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks "Puddle Pool Services USA, Inc." and design. Franchisee shall not use the Marks as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of Puddle Pool Services USA, Inc."

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

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

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

14.8 Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge, or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments

and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.

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

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

15. INSURANCE AND INDEMNIFICATION.

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

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

15.1.2 Employment. Worker's compensation coverage in the limits required by state law, employment practices/abuse, and employee dishonesty insurance with third-party coverage in the amount of at least Two Hundred and Fifty Thousand Dollars (\$250,000.00), shall be carried on all of Franchisee's employees, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated;

15.1.3 Automobile Insurance. Prior to operation of any vehicle on behalf of the Franchised Business, Franchisee must obtain comprehensive commercial automobile liability

insurance in the amount of at least a combined single limit for bodily and property damage of One Million Dollars (\$1,000,000.00), or greater if required by state law;

15.1.4 Workers Compensation & Employment Liability Coverage. Require coverage is a minimum of One Million Dollars (\$1,000,000.00) per occurrence;

15.1.5 Personal and Advertising Injury. Require coverage is a minimum of One Million Dollars (\$1,000,000.00);

15.1.6 Products Completed Operations. Require coverage is a minimum of Two Million Dollars (\$2,000,000.00) aggregate limit;

15.1.7 Damage to Rental Premises. Require coverage is a minimum of Fifty Thousand Dollars (\$50,000.00) per one loss;

15.1.8 Medical Expenses. Require coverage is a minimum of Five Thousand Dollars (\$5,000.00);

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

15.3 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with an administrative fee of ten percent (10%) for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.

15.4 Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types of coverage, Franchisee must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.

15.5 Additional Insured. All required insurance policies shall name Franchisor, Licensor and their affiliates and their members, officers, agents, and employees as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents, or employees.

15.6 Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS PUDDLE POOL SERVICES USA, INC., FEELS LIKE FRIDAY SERVICES BRANDS, INC. AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES (COLLECTIVELY REFERRED TO AS THE "PUDDLE POOL SERVICES INDEMNITEES") DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES, FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S PUDDLE POOL SERVICES FRANCHISE, THE FRANCHISED BUSINESS, THE SERVICES OR PRODUCTS, THE FRANCHISED BUSINESS OFFICE LOCATION, OR ANY ASPECT OF THE RESIDENTIAL AND COMMERCIAL POOL CLEANING SERVICES CONNECTED TO FRANCHISEE'S FRANCHISED BUSINESS, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES, REGARDLESS OF WHETHER THE ALLEGED INJURY OR LIABILITY IS CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT OR OMISSION OF THE PUDDLE POOL SERVICES INDEMNITEES. FRANCHISEE AGREES TO PAY FOR ALL THE PUDDLE POOL SERVICES INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE PUDDLE POOL SERVICES INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE PUDDLE POOL SERVICES INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE PUDDLE POOL SERVICES INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE PUDDLE POOL SERVICES INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE PUDDLE POOL SERVICES INDEMNITEES.

Initial

16. TRANSFERS.

16.1 Transfers by Franchisor.

16.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation, or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the

foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's locations).

16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the residential and commercial pool cleaning business or to offer or sell any products or services to Franchisee.

16.2 Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principal(s) of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3 Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business, or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

- 16.3.1 The proposed transferee and all its principals must have the demeanor and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees.
- 16.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;
- 16.3.3 The transferee has agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;
- 16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors;
- 16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;
- 16.3.6 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;
- 16.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and
- 16.3.8 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor.
- 16.4 Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to fifty percent (50%) of the then-current initial franchise fee; provided however, (i) for transfers to an existing franchisee in good standing with Franchisor, the transfer fee is fifty percent (50%) of the then-current initial franchise fee, (ii) for transfers

of ownership interest among existing principals, shareholders or members, or to add a business entity or new shareholder or member of the Franchisee entity and such transfer does not change management control of the Franchise, the transfer fee is One Thousand Five Hundred Dollars (\$1,500.00), and (iii) for a transfer to a spouse, parent or child upon death or permanent disability of Franchisee or Franchise's Principal, as the case may be, the transfer fee is One Thousand Five Hundred Dollars (\$1,500.00).

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

16.6 Franchisor 's Right of First Refusal.

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

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

16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days

after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

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

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

- 16.8 Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.
- 16.9 Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions. Notwithstanding the foregoing, in the event Franchisee obtains a loan (an "SBA Loan") from a lender (the "Lender") in which funding is provided with the assistance of the United States Small Business Administration ("SBA"), Franchisee shall be permitted to grant Lender and/or SBA a senior lien on any Uniform Commercial Code collateral Franchisee uses to secure the SBA Loan, and Franchisor agrees to subordinate its interest in any lien on Franchisee's Uniform Commercial Code collateral to that of the Lender and/or SBA as the case may be.

17. DEFAULTS.

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

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

17.2.1 fails to acquire a site for the Franchised Business, complete construction of the Franchised Business, obtain all licenses and permits before opening, or open the Franchised Business within the time and in the manner specified in Article 8.

17.2.2 falsifies any report required to be furnished Franchisor hereunder;

17.2.3 ceases to operate the Franchised Business for a period of five (5) days or more; provided, however, that this provision shall not apply if through no fault of Franchisee, the premises are damaged or destroyed by a casualty and Franchisee applies within thirty (30) days after such event, for Franchisor's approval to relocate or reconstruct the premises (which approval shall not be unreasonably withheld) and Franchisee diligently pursues such reconstruction or relocation.

17.2.4 loses for any cause whatsoever the right of possession of the real property on which the Franchised Business is located; provided, however, that this provision shall not apply if through no fault of Franchisee, Franchisee loses right of possession and Franchisee applies within thirty (30) days after such event, for Franchisor's approval to relocate the Franchised Business (which approval shall not be

unreasonably withheld) and Franchisee diligently pursues such relocation in accordance with Section 8.4.

- 17.2.5 fails to restore the Franchised Business location to full operation within a reasonable period time but not more than one hundred twenty (120) days from the date the Franchised Business location is rendered inoperable by any casualty, as may be extended by Franchisor in Franchisor's reasonable discretion;
- 17.2.6 fails to comply with any federal, state, or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;
- 17.2.7 defaults under any lease or sublease of the real property on which the Franchised Business is located;
- 17.2.8 understates Gross Revenue on two (2) occasions or more, whether or not cured on any or all of those occasions;
- 17.2.9 fails to comply with the covenants in Article 15;
- 17.2.10 permits a Transfer in violation of the provisions of Article 16 of this Agreement;
- 17.2.11 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.
- 17.2.12 has misrepresented or omitted material facts in applying for the Franchise;
- 17.2.13 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or engages in any other conduct that may harm the reputation of the System or the goodwill associated with the Marks;
- 17.2.14 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;
- 17.2.15 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;
- 17.2.16 creates a threat or danger to public health or safety from the construction, maintenance, or operation of the Franchised Business;
- 17.2.17 refuses to permit Franchisor to inspect or audit Franchisee's books or records;
- 17.2.18 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);

17.2.19 fails to comply with the non-competition covenants in Section 19.5;

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

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

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

17.2.23 terminates this Agreement without cause.

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

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Sections 17.2.20 and/or 17.2.21;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 17.2.20.

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

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

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

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

17.6 Reimbursement of Costs. Franchisee shall reimburse Franchisor all costs and expenses, including but not limited to attorneys' fees, incurred by Franchisor as a result of Franchisee's default, including costs in connection with collection of any amounts owed to Franchisor and/or enforcement of Franchisor's rights under this Agreement.

18. POST-TERMINATION.

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

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

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

- 18.1.3 take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation, which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;
- 18.1.4 promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory or other business assets owned by Franchisee at the time of default;
- 18.1.5 pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;
- 18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, all confidential, proprietary and copyrighted material and all other materials related to operation of the Franchised Business, including but not limited to customer lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law; and
- 18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19.
- 18.1.8 in the event this Agreement is terminated due to Franchisee's default, pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to: (a) the average weekly Royalty Fee and Brand Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) thirty-six (36) months or (ii) the number of months then remaining in the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18.2 Right to Purchase.

18.2.1 Franchisor shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the equipment (including any computer systems and vehicles), signs, fixtures, advertising materials, supplies, and inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

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

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

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

telephone numbers, electronic mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

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

19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS.

19.1 Operations Manual.

19.1.1 Franchisor has provided to Franchisee, on loan, a current copy of the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic, or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

19.1.2 Franchisee and any and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee's Principals, if any, shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms, and conditions under which it is permitted to use Franchisor's intellectual, proprietary, and confidential information; and shall ensure its employees' compliance with such restrictions, terms and conditions. Franchisee, Franchisee's Principals, and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.

19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto,

whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination, or expiration of this Agreement.

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

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

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

shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

- 19.3 Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.
- 19.4 New Concepts. If Franchisee or any Principal develops any new concept, process, product, recipe, design, or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products, design or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and any Principal acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate.
- 19.5 Noncompetition Covenants. Franchisee and each Principal specifically acknowledge that, pursuant to this Agreement, Franchisee and each Principal will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, each Principal and Franchisee's employees. Franchisee and each Principal acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and each Principal covenant that, except as otherwise approved in writing by Franchisor:
- 19.5.1 During the term of this Agreement, Franchisee and each Principal shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any residential and commercial pool cleaning business similar to the System; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Puddle Pool Services franchisees or Franchisor-affiliated outlets.

19.5.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principals shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business, Franchisor or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any residential and commercial pool cleaning business within twenty five (25) miles of the Territory or within twenty five (25) miles of any Puddle Pool Services office location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Puddle Pool Services franchisees.

19.6 Reasonableness of Restrictions. Franchisee and each Principal, if any, acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principals, if any, since Franchisee or Principals, as the case may be, have other considerable skills, experience and education which afford Franchisee or Principals, as the case may be, the opportunity to derive income from other endeavors.

19.7 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

19.8 Injunction. Franchisee and each Principal acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and each Principal hereby consents to the entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.

19.9 No Defense. Franchisee and each Principal expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

19.10 Covenants of Employees, Agents and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants

applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor's confidential and proprietary information. Such covenants shall be substantially in the form set forth in Attachment 7 as revised and updated from time to time and contained in the Manual.

20. DISPUTE RESOLUTION.

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

20.2 Mediation. At Franchisor's option, any claim, controversy, or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy, or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy, or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

20.3 Arbitration.

20.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 20.4, any dispute between Franchisor and Franchisee and/or any Principal arising out of or relating to this Agreement, the Exhibits hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 20.1 or 20.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

20.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in British Columbia, CA, or the offices of the American Arbitration Association, or, if Franchisor so elects, in the county where the principal place of business of Franchisee is then located.

20.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Franchisee, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

20.3.4 The provisions of this Section 20.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

20.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify, or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone, or rescind the effectiveness of any termination of this Agreement.

20.3.6 Except as expressly required by law, Franchisor, Franchisee and any Principal shall keep all aspects of any mediation and/or arbitration proceeding in confidence, and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

20.4 Exceptions. Notwithstanding the requirements of Sections 20.2 or 20.3, the following claims shall not be subject to mediation or arbitration:

20.4.1 Franchisor's claims for injunctive or other extraordinary relief;

20.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

20.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks;

20.4.4 disputes and controversies relating to actions to obtain possession of the premises of the Franchised Business; and

20.4.5 enforcement of Franchisee's post-termination obligations, including but not limited to, Franchisee's non-competition covenants.

- 20.5 Governing Law and Venue. This Agreement is made in, and shall be substantially performed, in the state of State. Any claims, controversies, disputes, or actions arising out of this Agreement shall be governed, enforced, and interpreted pursuant to the laws of the province of British Columbia. Franchisee and its Principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in the province of British Columbia. Franchisee and its Principal(s) hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.
- 20.6 Mutual Benefit. Franchisee, each Principal, if any, and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.3 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principal(s), and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.
- 20.7 Waiver of Jury Trial and Certain Damages. Franchisee and each Principal hereby waive, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principal(s) agree that in the event of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.
- 20.8 Injunctive Relief. Nothing herein contained (including, without limitation, Sections 20.1 through 20.3 above) shall bar Franchisor from the right to obtain immediate injunctive relief from any court of competent jurisdiction against threatened conduct by Franchisee that may cause Franchisor loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.
- 20.9 Limitations of Claims. Any and all claims asserted by Franchisee arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Franchisee knew or should have known of the facts giving rise to such claims.
- 20.10 Attorneys' Fees. In the event of any action in law or equity by and between Franchisor and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees and court costs incurred.

20.11 Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

21. GENERAL.

21.1 Relationship of the Parties.

21.1.1 Independent Contractor. Franchisee is and shall be an independent contractor under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

21.1.2 No Relationship. Franchisee acknowledges and agrees that Franchisee alone exercises day-to-day control over all operations, activities, and elements of the Franchised Business, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never claim otherwise, that the various restrictions, prohibitions, specifications, and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in Franchisor's Operations Manual or otherwise, does not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising control of the day-to-day operations of the Franchised Business.

21.1.3 Franchisee's Employees. Franchisee acknowledges and agrees that any training Franchisor provides for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems, and operations of a Puddle Pool Services outlet and in no fashion reflects any employment relationship between Franchisor and such employees. If ever it is asserted that Franchisor is the employer, joint employer or co-employer of any of

Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agree to assist Franchisor in defending said allegation, appearing at any venue requested by Franchisor to testify on Franchisor's behalf participate in depositions, other appearances or preparing affidavits rejecting any assertion that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees.

21.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principals in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.

21.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

21.4 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except nothing herein is intended to disclaim the representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

21.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principal shall be deemed to be joint and several covenants, agreements, and obligations of each of the persons named as Franchisee, if more than one person is so named.

21.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

21.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the

introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.

- 21.8 Effect of Waivers. No waiver, delay, omission, or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than at the Franchised Business location shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Franchised Business location.
- 21.9 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination, or exercise of Franchisor's rights pursuant to Articles 17 and 18 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination, or the exercise of such rights under this Agreement.
- 21.10 Consent to Do Business Electronically. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the province of British Columbia, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement, and by attaching their digital signature, including any DocuSign signature, to the Franchise Agreement, they are executing the document and intending to attach their digital signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on a digital signature, including a DocuSign signature, as the respective party's signature.
- 21.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.
- 21.12 Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

Signature Page to Follow

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

FRANCHISOR:

Puddle Pool Services USA, Inc.

By:_____

Mark Amery, CEO
(Print Name, Title)

FRANCHISEE (Entity):

By:_____

(Print Name, Title)

FRANCHISEE (Principal):

(Print Name)

FRANCHISEE (Principal):

(Print Name)

ATTACHMENT 1

Character Mark –

Puddle Pool

Service Mark –



ATTACHMENT 2

TERRITORY DESCRIPTION

(If there is no Accepted Location on the Effective Date, include: **TERRITORY AND ADDRESS TO BE DETERMINED AND INSERTED AFTER A PUDDLE POOL SERVICES LOCATION IS ACCEPTED BY FRANCHISOR IN THE NON-EXCLUSIVE SITE SEARCH AREA OF _____.)

Territory (insert map and/or define by zip codes):

ATTACHMENT 3

INITIAL FEE

Franchise Fee	
Total Territories Purchased	Franchise Fee
1 Unit	\$49,500
2 Units	\$91,500
3 Units	\$129,000
4 Units	\$163,500
5 Units	\$193,500
6 Units	\$223,500
7 Units	\$253,500
8 Units	\$283,500
9 Units	\$313,500
10 Units	\$343,500

ATTACHMENT 4

STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/ENTITY

Name

Percentage of Ownership

ATTACHMENT 5

GUARANTY

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on _____, (the “Effective Date”) to Puddle Pool Services USA, Inc., a Wyoming corporation (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the “Franchise Agreement”) with _____, a(n) _____ and _____ (collectively “Franchisee”).

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

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

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

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

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

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

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

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

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

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

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

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

Print Name: _____

Address: _____

ATTACHMENT 6

RNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE ACCOUNT AGREEMENT (the “Agreement”) is made and entered into this day of _____ (the “Effective Date”) by and between Puddle Pool Services USA, Inc. a Wyoming corporation (the “Franchisor”), and _____ a(n) _____, with its principal place of business located at _____ and _____’s principal(s) _____, an individual residing at _____ and _____, an individual residing at _____ (“Principal(s)”). _____ and Principal(s) shall be individually and collectively referred to as, and each is, the “Franchisee”.

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

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

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

1. Definitions

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

2. Internet Advertising and Telephone Accounts

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

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

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

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media and software companies, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Electronic Advertising and Telephone Listings: (i) to transfer all of Franchisee’s interest in such Electronic Advertising and Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising and Telephone Listings, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising and Telephone Listings or will take such other actions with respect to the Electronic Advertising and Telephone Listings as Franchisor directs; and

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

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

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

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

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

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

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee’s interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing,

Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

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

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

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

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

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

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

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

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

-Remainder of page intentionally left blank-

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

FRANCHISOR:
PUDDLE POOL SERVICES USA, INC.

By: _____

Mark Amery, CEO
(Print Name, Title)

FRANCHISEE (Entity):

By: _____

_____, _____
(Print Name, Title)

FRANCHISEE (Principal):

(Print Name)

FRANCHISEE (Principal):

(Print Name)

ATTACHMENT 7

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

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

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated _____, 20____ (the “Franchise Agreement”), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the registered trademark “Feels Like Friday Service Brands, Inc.” and design mark, and certain proprietary products, services, promotions and methods (the “System”) for the establishment and operation of a Puddle Pool Services franchise (the “Franchised Business”);

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

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

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

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

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

1. Confidentiality Agreement.

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

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

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

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

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

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

2. Covenants Not to Compete.

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

(i) divert, or attempt to divert, any business, customer, or referral source of the Franchised Business or of other Puddle Pool Services franchisees in the System to any competitor, by direct or indirect inducement or otherwise, and/or

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any residential and commercial pool cleaning business substantially similar to the System.

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

(i) divert, or attempt to divert, any business, customer, or referral source of the Franchised Business or of other franchisees in the Puddle Pool Services System to any competitor, by direct or indirect inducement or otherwise, and/or

(ii) participate as an owner, partner, director, officer, employee, consultant, or agent or serve in any other capacity in any residential and commercial pool cleaning business within the within fifty (50) miles outside of the boundaries of the Franchisee's Territory or within fifty (50) miles of any Puddle Pool Services office location.

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

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

3. General.

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

b. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the

provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

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

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

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

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

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

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

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

If directed to Franchisee:

If directed to Covenantor:

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

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

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

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

FRANCHISEE:

By: _____

Name: _____

Title: _____

COVENANTOR:

Name: _____

ATTACHMENT 8

AUTHORIZATION AGREEMENT AUTOMATIC DEPOSITS (ACH WITHDRAWALS)

Franchisor Name: **Puddle Pool Services USA, Inc.**

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

Financial Institution Name: _____ Branch: _____

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

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

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

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

Print Franchisee / Account Holder Name

Print Franchisee/Co-Account Holder Name

Franchisee/ Account Holder Signature-Date

Franchisee/Co-Account Holder Signature-Date

Daytime Phone Number

Email Address

PLEASE ATTACH A VOIDED CHECK TO THIS FORM

Please Return Form to: Puddle Pool Services USA, Inc.

133-20800 Lougheed Hwy Maple Ridge, BC

V4R 2S2, Canada

Phone #: 855-707-3474

ATTACHMENT 9

CONDITIONAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned _____ ("Assignor") hereby assigns and transfers to Puddle Pool Services USA, Inc., a Wyoming corporation with a notice address of 133-20800 Lougheed Hwy Maple Ridge, BC V4R 2S2, Canada ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which shall be attached hereto (the "Lease") respecting premises commonly known as _____. This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that Assignor has full power and authority to so assign the Lease and Assignor's interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of Assignor's interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under the franchise agreement for a PB Lodge outlet between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

ASSIGNOR:

DATED: _____

By: _____

_____,
(Print Name, Title)

DATED: _____

DATED: _____

CONSENT AND AGREEMENT OF LANDLORD

to that Conditional Assignment of Lease from _____ (Assignor) to Puddle Pool Services USA, Inc. (Assignee) dated _____ for the property known as _____.

The undersigned Landlord under the aforescribed Lease further hereby:

- (a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;
- (b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Landlord of notice thereof in accordance with paragraph (a) above;
- (c) Consents to the foregoing Conditional Assignment and agrees that if Assignee takes possession of the Premises demised by the Lease and confirms to Landlord the assumption of the Lease by Assignee as tenant thereunder, Landlord shall recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the non-monetary defaults, if any, of Assignor under the Lease;
- (d) Agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Landlord and upon such assignment Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.
- (e) Permits Assignee to enter upon the Premises without being guilty of trespass or any other crime or tort to de-identify the Premises as a PB Lodge outlet if Tenant fails to do so following termination of the Franchise Agreement or Lease, provided that Assignee shall repair any damage caused thereby.

DATED: _____

LANDLORD:

EXHIBIT C
FINANCIAL STATEMENTS

Puddle Pool Services USA, Inc.

**Financial Statements with Report of Independent Auditors
December 31, 2023 and 2022**

Table of Contents

Report of Independent Auditors.....	Page 1
Balance Sheet.....	Page 3
Statement of Operations.....	Page 4
Statement of Changes in Shareholders' Equity.....	Page 5
Statement of Cash Flows.....	Page 6
Notes to the Financial Statements.....	Page 7

Report of Independent Auditors

To the Shareholder(s) of
Puddle Pool Services USA, Inc:

Opinion

We have audited the accompanying financial statements of Puddle Pool Services USA, Inc, a Wyoming entity, which comprise the balance sheets as of December 31, 2023, and December 31, 2022, and the related statements of operations, changes in shareholders' equity and cash flow for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and December 31, 2022, and the results of its operations and its cashflows for the year ended December 31, 2023, and December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after May 9, 2024.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

DA Advisory Group PLLC

Troy, MI
May 9, 2024

Puddle Pool Services USA, Inc
BALANCE SHEETS
December 31, 2023 and 2022

	<u>12/31/2023</u>	<u>12/31/2022</u>
ASSETS		
Current assets:		
Cash	\$ 34,448	\$ 100
Accounts receivable	<u>14,606</u>	<u>-</u>
Total current assets	49,054	100
 Total assets	 <u><u>\$ 49,054</u></u>	 <u><u>\$ 100</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Related party payable	\$ 35,656	\$ -
Deposits for franchise	28,250	
State payroll taxes payable	5,265	-
Deferred revenue - current	<u>1,750</u>	<u>-</u>
 Total current liabilities	70,921	-
Noncurrent liabilities:		
Deferred revenue - noncurrent	<u>13,250</u>	<u>-</u>
 Total noncurrent liabilities	13,250	-
 Total liabilities	<u>84,171</u>	<u>-</u>
 Shareholders' equity	<u>(35,117)</u>	<u>100</u>
 Total liabilities and shareholders' equity	 <u><u>\$ 49,054</u></u>	 <u><u>\$ 100</u></u>

see accompanying notes

Puddle Pool Services USA, Inc
STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUE		
Advertising and marketing	\$ 23,919	\$ -
Other revenue	16,985	-
Initial franchise fee	10,250	-
Royalties	<u>960</u>	<u>-</u>
Total revenue	52,114	-
OPERATING EXPENSES		
Advertising & marketing	29,417	-
Franchisee launch costs	26,340	-
Legal & professional services	20,081	-
Other expenses	<u>11,493</u>	<u>-</u>
Total operating expenses	<u>87,331</u>	<u>-</u>
Net loss	<u><u>\$ (35,217)</u></u>	<u><u>\$ -</u></u>

see accompanying notes

Puddle Pool Services USA, Inc
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the Years Ended December 31, 2023 and 2022

	Total Shareholders' Equity
BALANCE, JANUARY 1, 2022	\$ -
Capital contributions	100
Capital distributions	-
Net income	-
BALANCE, January 1, 2023	\$ 100
Capital contributions	-
Capital distributions	-
Net loss	(35,217)
BALANCE, December 31, 2023	<u><u>\$ (35,117)</u></u>

see accompanying notes

Puddle Pool Services USA, Inc
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (35,217)	\$ -
Change in:		
Accounts receivable	(14,606)	-
Deposits	28,250	-
Related party payable	35,656	-
State taxes payable	5,265	-
Deferred revenue	<u>15,000</u>	<u>-</u>
Net cash provided by operating activities	34,348	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Shareholder capital contributions	-	100
Partner capital distributions	<u>-</u>	<u>-</u>
Net cash provided by financing activities	<u>-</u>	<u>100</u>
Net change in cash and cash equivalents	\$ 34,348	\$ 100
Cash and cash equivalents at beginning of year	<u>100</u>	<u>-</u>
Cash and cash equivalents at end of year	<u><u>\$ 34,448</u></u>	<u><u>\$ 100</u></u>
Total cash and cash equivalents	<u><u>\$ 34,448</u></u>	<u><u>\$ 100</u></u>

see accompanying notes

Puddle Pool Services USA, Inc
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

1. Organization

Puddle Pool Services USA, Inc (the “Company”) is a Wyoming corporation owned by one shareholder. The Company was formed on November 9, 2021 for the purpose providing franchise opportunities related to the professional residential and commercial pool and jacuzzi cleaning and maintenance services business.

The Company has one shareholder with 100% ownership and is taxed as a C Corporation. As of December 31, 2023 and 2022, total shareholder contributions totaled to \$0 and \$100 and distributions of \$0 and \$0, respectively.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions.

The Company maintains its cash in bank deposit accounts which could exceed federally insured limits. The Company has not experienced an instance where cash held in the account exceeded insured limits since their inception. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

As of December 31, 2023 and 2022, the company had accounts receivable of \$14,616 and \$0, respectively. The balance is deemed fully collectable and no reserve has been established.

Franchise arrangements

The Company’s franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales.

Use of estimates

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

Advertising and marketing

Advertising and marketing costs are expensed as incurred. For the year ended December 31, 2023 and 2022, the Company incurred \$29,417 and \$0, respectively, in advertising costs.

Puddle Pool Services USA, Inc
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

2. Summary of significant accounting policies and nature of operations (continued)

Income taxes

As the Company has had no profit in 2023 or 2022, there has been no need for a tax provision.

3. Related party activities

As of December 31, 2023 and 2022, the Company had related party payables of \$35,656 and \$0, respectively. The payables incur no interest and have no stated payback period.

4. Revenue recognition

For franchise revenues, the Company has obligations to provide franchisees with the franchise rights to open a business within the franchise system, provide training, and assist with territory selection. The Company's revenue recognition policies for franchise fees are in compliance with accounting standards ASC Topic 606, Revenue from Contracts with Customers. In 2020, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU), Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient. The expedient has allowed franchisors that are not public business entities to account for pre-opening activities as a single performance obligation. The Company has concluded that these preopening activities represent performance obligations to which the franchise fee is allocated. Therefore, initial franchise fees for each agreement are allocated to the Company's performance obligation and recognized as these preopening activities are performed, which typically aligns with the date a franchisee opens.

The Company has entered into a franchise agreement during 2023 for the period of 10 years, that generates royalties based on monthly sales reports as well as an initial franchise fee. Services performed to train and equip the franchisee to begin operations result in a first year recognition of \$10,000. The balance of the initial fee is amortized over the life of the contract in accordance with ASC-606. Additionally, marketing revenue is earned monthly as billed.

The Company bills and collects monthly royalties which are based on gross revenue reports. Additionally, the Company reserves the establish and bill for monthly call center and internal systems fees. These fees would be earned monthly as invoiced.

5. Subsequent events

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements through May 9, 2024, the date the financial statements were available to be issued.

EXHIBIT D

Puddle Pool Services USA Operations Manual

1.	INTRODUCTION	3
1.1.	How to use this Manual	3
1.2.	Confidentiality	4
1.3.	The Puddle Brand	4
1.4.	Puddle Mission Statement	5
1.5.	Role of Franchisor (Puddle Head Office)	5
1.6.	Role of Franchisee (Yourself/Your Territory)	6
1.7.	The Fundamentals of Success	6
1.8.	Getting the Work	7
1.9.	Performing the Work	7
1.10.	Satisfying the Client	7
1.11.	Long Term Growth	8
2.	OPERATIONS OVERVIEW	8
2.1.	Business Licenses, Business Insurance and WCB	8
2.2.	Suppliers/Vendors	9
2.3.	Uniforms	9
2.4.	The Puddle Call Centre	9
2.5.	“MyPuddleBiz” Management Software	10
(a)	Puddle Docs	10
(b)	Clients	10
(c)	Create a Quote	10
(d)	Scheduling	11
(e)	Request a Review	11
(f)	Quickbooks	12
(g)	Puddle Handbook	12
2.6.	Strategic Parking	12
3.	DAILY PROCEDURES	13
3.1.	Gutter Cleaning	13
3.2.	Window Cleaning	14
3.3.	Pressure Washing	16
3.4.	Graffiti Removal	18
3.5.	Moss Removal/Roof Cleaning	20
3.6.	Soft Washing	23
3.7.	Dryer Vent Cleaning	25
3.8.	Customer Relations	25
3.9.	Following up with Clients	26
3.10.	Equipment Maintenance	26
3.11.	Workplace and Site Safety	27
4.	MARKETING AND SALES	27
4.1.	Use of the Puddle Trademark/ Logo	27
4.2.	Initial Marketing Blitz	27

4.3	Door Hangers	27
4.4	Internet Marketing	28
4.5	Print Marketing (Newspapers)	29
4.6	Social Media	29
5	SERVICES	29
5.1	Additional Services (Do's & Don'ts)	29
5.2	Residential vs Commercial vs Property Management/Strata	29
5.3	Residential Clients	30
5.4	Commercial Clients	30
5.5	Property Management/Strata Clients	31
6	EMPLOYEES	32
6.1	Your Team	32
6.2	When Do I Need to Hire?	32
6.3	Where do I find Employees?	33
6.4	Wages?	33
6.5	Eliminating the Competition!	33
6.6	Royalties	33
6.7	Final Thoughts	34

EXHIBIT E

FRANCHISED OUTLETS

FRANCHISED OUTLETS AS OF DECEMBER 31, 2023

None

Franchise Agreements Signed But Outlet Not Open as of December 31, 2023

None

Former Franchisees

That had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with the franchisor within the 10 weeks preceding the Issuance Date of this Disclosure Document:

None

EXHIBIT F

STATE ADDENDA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

The Department of Financial Protection and Innovation for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
2. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

3. Item 3 is amended to add:

Neither Franchisor nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. Item 17 is amended to state:
 - (a) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).
 - (b) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
 - (c) The franchise agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.
 - (d) The Franchise Agreement requires application of the laws of Wyoming. This provision may not be enforceable under California law.

HAWAII ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT

Exhibit G to the Franchise Disclosure Document is not for use in Hawaii.

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

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$99,000- \$148,900. This amount exceeds the franchisor's stockholders equity as of December 31, 2022, which is \$100.

STATE EFFECTIVE DATES

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

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

<u>STATE</u>	<u>EFFECTIVE DATE</u>
California	PENDING
Hawaii	PENDING
Virginia	PENDING

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

EXHIBIT G

***NOT FOR USE IN CALIFORNIA**

PUDDLE POOL SERVICES USA, INC. ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement (or Multi-Unit Development Agreement). Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

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

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

Initial

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

Initial

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

Initial

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

Initial

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

Initial

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

Initial

7. Franchisee (or Developer) acknowledges that it has received the Puddle Pool Services USA, Inc. Franchise Disclosure Document with a complete copy of the Franchise Agreement (and Multi-Unit Development Agreement) and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement (or Multi-Unit Development Agreement) was executed. Franchisee (or Developer) further acknowledges that Franchisee (or Developer) has read such Franchise Disclosure Document and understands its contents.

Initial

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

Initial

9. Franchisee (or Developer), together with Franchisee's (or Developer's) advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement (or Multi-Unit Development Agreement).

Initial

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

Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's (or Developer's) Territory by others who may have purchased such products from Franchisor.

Initial

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

Initial

Signature page to follow

FRANCHISEE:

By: _____

_____,
(Print Name, Title)

Date: _____

PRINCIPAL:

(Print Name)

Date: _____

PRINCIPAL:

(Print Name)

Date: _____

EXHIBIT H

GENERAL RELEASE

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

(collectively, “Franchisee’s Principal(s)”), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the “Franchisee Releasors”), hereby release, discharge and hold harmless Puddle Pool Services USA, Inc. (“Franchisor”), their parent company, affiliates, and each of their respective officers, directors, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the “Franchisor Releasees”) from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the Franchise Agreement dated _____ between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the Franchised Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releasors now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the “Franchisee Released Claims”).

FRANCHISEE AND FRANCHISEE’S PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. The Franchisee Releasors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee

Released Claim, and Franchisee and Franchisee's Principal(s) shall defend, indemnify, and hold harmless each of Franchisor Releasees against same.

[Washington Residents]: A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the franchise agreement is in effect and where the franchisee is represented by independent counsel. *See* RCW 19.100.180(g); RCW 19.100.220.

Executed as of _____.

FRANCHISEE:

By: _____

_____, _____
(Name, Title)

FRANCHISEES'S PRINCIPAL:

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

EXHIBIT I

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF PUDDLE POOL SERVICES USA, INC.

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

If Puddle Pool Services USA, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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

If Puddle Pool Services USA, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

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

Mark Amery 133-20800 Lougheed Hwy Maple Ridge, BC V4R 2S2, Canada 1.888.282.2590		
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Issuance Date: May 13, 2024

I received a Disclosure Document dated _____, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process

EXHIBIT B: Franchise Agreement with Attachments

EXHIBIT C: Financial Statements of Puddle Pool Services USA, Inc.

EXHIBIT D: Operations Manual Table of Contents

EXHIBIT E: Outlets as of the date of this Disclosure Document

EXHIBIT F: State Addenda

EXHIBIT G: Franchisee Acknowledgement

EXHIBIT H: General Release

EXHIBIT I: Receipt

Date Received: _____
(If other than date signed)

DATE: _____

(Signature of recipient)

(Printed name of recipient)

Legal residence address

Please return signed receipt to
Puddle Pool Services USA, Inc.
133-20800 Lougheed Hwy Maple Ridge, BC V4R 2S2, Canada

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF PUDDLE POOL SERVICES USA, INC.

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Legal residence address

KEEP FOR YOUR RECORDS