# FRANCHISE DISCLOSURE DOCUMENT

**ReBath, LLC**
a Delaware limited liability company
426 N. 44th Street, Suite 410
Phoenix, Arizona 85008
(480) 844-1575 ♦ (800) 426-4573
www.rebath.com
newfranchise@rebath.com

As a Re-Bath® franchisee, you will provide bathroom remodeling services, including installation of custom manufactured bathtub and shower base liners, replacement bathtubs and shower bases, wall panels and ancillary products such as shower doors, valves, plumbing fixtures, and installation tools, products and supplies.

The total investment necessary to begin operation of a Re-Bath® franchised business is $275,875 to $606,925. This includes $56,000 to $60,000 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Franchise Legal Department, 426 N. 44th Street, Suite 410, Phoenix, Arizona 85008, (480) 754-8950.

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

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

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

Issuance Date: July 6, 2026

## How to Use This Franchise Disclosure Document

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

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

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

## Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

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

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

3. **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.

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

5. **Spousal Liability.** Your spouse must also 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 marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

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.

**THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW**

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§445.1501 – 445.1546 applies, the terms of this Addendum apply.

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

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

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

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

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

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

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

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

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

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

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

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

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

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

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 670 Law Building, Lansing, Michigan 48913, telephone: (517) 373-7117.

## TABLE OF CONTENTS


| ITEM | | PAGE |
|---|---|---|
| ITEM 1 | THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES | 1 |
| ITEM 2 | BUSINESS EXPERIENCE | 2 |
| ITEM 3 | LITIGATION | 4 |
| ITEM 4 | BANKRUPTCY | 10 |
| ITEM 5 | INITIAL FEES | 10 |
| ITEM 6 | OTHER FEES | 12 |
| ITEM 7 | ESTIMATED INITIAL INVESTMENT | 12 |
| ITEM 8 | RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES | 24 |
| ITEM 9 | FRANCHISEE'S OBLIGATIONS | 29 |
| ITEM 10 | FINANCING | 30 |
| ITEM 11 | FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING | 30 |
| ITEM 12 | TERRITORY | 47 |
| ITEM 13 | TRADEMARKS | 49 |
| ITEM 14 | PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION | 51 |
| ITEM 15 | OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS | 52 |
| ITEM 16 | RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL | 52 |
| ITEM 17 | RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION | 52 |
| ITEM 18 | PUBLIC FIGURES | 56 |
| ITEM 19 | FINANCIAL PERFORMANCE REPRESENTATIONS | 56 |
| ITEM 20 | OUTLETS AND FRANCHISEE INFORMATION | 61 |
| ITEM 21 | FINANCIAL STATEMENTS | 68 |
| ITEM 22 | CONTRACTS | 68 |
| ITEM 23 | RECEIPTS | 68 |

Exhibits

| | |
|---|---|
| Exhibit A. | List of State Administrators and Agents for Service of Process |
| Exhibit B. | Franchise Agreement |
| Exhibit C. | Financial Statements |
| Exhibit D. | Manual Table of Contents |
| Exhibit E. | General Release |
| Exhibit F. | List of Franchisees |
| Exhibit G. | State Specific Addenda |
| Exhibit H. | Financing Documents |
| | 1. Promissory Note |
| | 2. Continuing Personal Guaranty |
| | 3. Financing Security Agreement |
| Exhibit I. | Sample Renewal Amendments |

| | |
|---|---|
| State Effective Dates | Third to Last Page |
| Receipts | Last Two Pages |

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

To simplify the language in this franchise disclosure document ("**Disclosure Document**"), "**ReBath**," "**we**" or "**us**" means ReBath, LLC, the franchisor. "**You**" or "**your**" means the person, persons or entity that enters into a Franchise Agreement for the operation of a franchised Re-Bath® business. If you are a corporation, partnership or limited liability company ("**Business Entity**"), certain provisions of the Franchise Agreement also apply to your owners as noted in the Franchise Agreement.

The Franchisor and Its Parents, Predecessors and Affiliates

We are a Delaware limited liability company formed on December 18, 2001. Our principal business address is 426 N. 44th Street, Suite 410, Phoenix, Arizona 85008. Our agents for service of process are disclosed in Exhibit A. We conduct business under the name Re-Bath®. We and our predecessors have offered Re-Bath® franchises since 1991. Since 2018, we have also operated ReBath businesses that are substantially similar to the Franchised Businesses offered under this Disclosure Document. We have not offered any other franchises in any other line of business. We do not conduct any other business activities other than operating ReBath businesses, selling and supporting Franchised Businesses, and marketing and selling Re-Bath® products.

Our immediate parent company is Home Brands Group, LLC ("**HBG**"). HBG may negotiate purchasing arrangements for certain cabinets, lighting and other products used in the Franchised Business to Re-Bath® franchisees. See Item 8. HBG is a subsidiary of Home Brands Group Holdings, Inc. (**"Holdings"**), which is a subsidiary of ReBath Intermediate Holdings, Inc. ("**ReBath Intermediate Holdings**"), which is a subsidiary of ReBath Ultimate Holdings GP, LLC ("**ReBath Ultimate Holdings**"), which is a subsidiary of TZP Group LLC ("**TZP**"). HBG, Holdings, ReBath Intermediate Holdings, and ReBath Ultimate Holdings share our principal business address. The principal business address of TZP is 7 W. 41st Street, #4307, New York, New York 10036. HBG, Holdings, ReBath Intermediate Holdings, ReBath Ultimate Holdings, and TZP have not offered franchises in any line of business.

Our affiliate, Agile Building Solutions, LLC ("**Agile**"), manufactures and sources remodeling products for us and third parties. We resell to you certain bathroom remodeling products manufactured or sourced by Agile. Agile has not offered franchises in any line of business. Agile shares our principal business address.

Our affiliate, Home Brands Group Services, LLC ("HBG Services"), will offer certain consolidated managed services offerings for us and third parties. We anticipate that HBG Services will provide agency level managed media services for a fee to our franchisees. HBG Services has not offered franchises in any line of business. HBG Services shares our principal business address.

The Franchises Offered

We offer a Re-Bath® franchise under an agreement ("**Franchise Agreement**") that gives you the right to use our Marks and our distinctive business format, systems, methods, procedures, designs, standards and specifications ("**System**") to operate a business that offers and sells single-family residential bathroom remodeling services and related products (the "**Franchised Business**") in a specific geographic area ("**Protected Territory**"). The System is described in our confidential Manual (the "**Manual**"), which includes the System Manual, and other written documents. You must comply with certain standards and specifications in the Manual. In addition, the Manual also contains recommended procedures and tools for you to consider in the operation of your Franchised Business.

As a Re-Bath® franchise, you will offer three project solutions: (i) a complete bathroom remodel, (ii) tub and shower updates, and (iii) aging and accessibility solutions. You will offer free in-home consultation where you will work with the customer to design their new bathroom. From there you will remove the old bathroom products and install the new products. You will offer a one-stop solution for the customer's bathroom remodeling needs. Re-Bath® is one of the nation's largest bathroom remodeling companies and is the only nationwide company that offers complete bathroom remodeling services. We provide you the training and management tools you need to do these things through a comprehensive onboarding process and by providing you our comprehensive Manual and on-going training throughout the term of your Franchise Agreement.

We or our affiliates manufacture some of the products you need for the job. The other products are sourced through preferred vendors with whom we have established relationships. The products we offer include everything from bathtubs, walk-in tubs, and showers, to faucets, fixtures, flooring, lighting, vanities, countertops, wall surrounds and a variety of bath accessories (grab bars, towel holders, robe hooks, etc.).

As a Re-Bath® franchisee, you will operate the Franchised Business from a showroom, office, and warehouse located in the Protected Territory. You will offer these bathroom remodeling services and products to homeowners and landlords of single-family dwellings located in the Protected Territory.

You will operate the Franchised Business under ReBath, LLC's national brand—the RE-BATH® trademark and logo—as well as its additional principal service marks, trademarks, logos, emblems, and slogans ("**Marks**").

As a Re-Bath® franchisee, we provide you with training, management tools and support across each of our System Modules: marketing, sales, product & installation, customer service, and office management. Item 11 details the support we currently provide. We are continually developing and improving our System to provide opportunities to grow your business, and may change the System from time to time, including, for example, offering new or different products and services, and using new or different methods, procedures, and standards.

We currently manage relationships and agreements with certain nationwide retailers and distributors ("**National Accounts**"), such as Lowe's and Home Depot, to offer our franchisees' products and services to their customers. Although our current policy is to offer franchisees the opportunity to participate in National Accounts on a voluntary basis, we may, at our option at any time: require franchisees to participate in the National Accounts program and service National Accounts; modify, suspend, or repeal our National Account program; and/or modify, suspend, or repeal our consent to allow a franchisee, or all franchisees, to service National Accounts. Item 12 provides additional detail on our National Account opportunities.

Market and Competition

The market for bathroom remodeling products and services is well established and highly competitive. You will compete with general contractors who offer a variety of remodeling services, liner companies, bathtub refinishers and others who offer bathroom products and services for the redesign and remodeling of bathrooms. Your services will be sold to individual homeowners and landlords of single-family dwellings.

Regulations

You may need to obtain remodeling, construction, plumber and/or contractor licenses or permits, depending on the state, county, or local laws, ordinances and regulations applicable to operating a Franchised Business in the Protected Territory. You may not begin operating or place any product orders until you obtain all required state and local licenses and permits for doing business. It is your responsibility to comply with all

laws and regulations that apply in the Protected Territory. In addition, you must comply with all local, state and federal construction safety and environmental laws and regulations. You must also comply with employment, worker's compensation, immigration, insurance, corporate, federal, state, and local taxation, health, licensing and similar laws and regulations of a more general nature applicable to most businesses. There may be other laws and regulations that apply to the Franchised Business. You should investigate the application of these laws further.

## ITEM 2
## BUSINESS EXPERIENCE

Brad Hillier: Chief Executive Officer

Mr. Hillier has served as Chief Executive Officer of ReBath and HBG since March 2015. He has also served as a director of Holdings since October 2010 and as Chief Financial Officer, Chief Operating Officer, and a Manager of HBG since its inception in June 2012.

Chuck Berry: Chief Operating Officer

Mr. Berry has served as Chief Operating Officer of ReBath and HBG since July 2025. Mr. Berry previously served as Vice President, Field Operations for Servpro, located in Gallatin, Tennessee, from June 2013 to March 2025.

Jack Jones: Chief Financial Officer

Mr. Jones has served as Chief Operating Officer of ReBath and HBG since October 2025. Mr. Jones previously served as Vice President of Finance for The Aesthetic Syndicate, located in Tempe, Arizona, from January 2024 to October 2025, as Vice President of Corporate Development and Strategy for Dogtopia Enterprises, located in Phoenix, Arizona, from December 2020 to January 2024.

Sharon Villegas: Chief Revenue Officer

Ms. Villegas has served as Chief Revenue Officer of ReBath and HBG since June 2021. She served as Chief Marketing Officer of ReBath and HBG from December 2018 to June 2021.

Andrew P. Boorse, Esq: General Counsel

Mr. Boorse has served as General Counsel of ReBath and HBG since January 2025. Mr. Boorse previously served as Counsel to PrePass, LLC, a SaaS Technology service business based in Phoenix, Arizona, from September 2020 through January 2025.

Kurt Ullman: Vice President of Franchise Development

Mr. Ullman has served as Vice President of Franchise Development of ReBath since June 2025. From September 2024 until June 2025 and from March 2022 until April 2024, Mr. Ullman was self-employed as a franchise consultant in Nashville, Tennessee. Mr. Ullman previously was Head of International Franchise Development and Operations for Magnolia Operating LLC from April 2024 until September 2024 in Nashville, Tennessee, and Head of Franchise Business Development, North America for International Workplace Group (IWG) PLC from February 2021 until March 2022 in Nashville, Tennessee.

Unless otherwise stated above, each individual listed in Item 2 maintains an office at our headquarters in Phoenix, Arizona.

## ITEM 3
## LITIGATION

Pending

Falletta Enterprises, Inc. v. Re-Bath, LLC (American Arbitration Association Case No. 012500036648, filed August 1, 2025). The claimant, a franchisee, alleges Re-Bath has breached various provisions of the franchise agreement related to local and national marketing. The claimant alleges Re-Bath improperly attempted to default and/or terminate the franchise agreement due to the claimant's alleged failure to satisfy its local marketing obligations. The claimant seeks damages of $300,000 to $499,999 and the recovery of attorneys' fees, interest, and arbitration costs. Re-Bath has asserted a counterclaim in the amount of $61,000 for sales performed by the franchisee outside of the franchisee's territory in violation of the franchise agreement. On June 19, 2026, claimant filed a second amended demand asserting claims for breach of contract, breach of the implied covenant of good faith and fair dealing, and violations of the Arizona Consumer Fraud Act and Virginia Retail Franchising Act, and seek damages, an accounting of the Brand Fund, Media Fund, and Advertising Fund, and attorneys' fees and costs. A final arbitration hearing is scheduled for October and November 2026.

Mid-America Remodeling, LLC, v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-1641, filed on October 15, 2025). The claimant, a franchisee, alleges that Re-Bath has breached the franchise agreement by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant seeks damages of up to $149,999 and the ability to use a third-party marketing vendor. On March 11, 2026, Re-Bath filed an amended answering statement and counterclaim for unspecified damages exceeding $1,000 based on the claimant's unauthorized out-of-territory sales. On May 27, 2026, claimant requested leave to file a second amended demand adding claims for wrongful termination, breach of the implied covenant of good faith and fair dealing in connection with the termination and post-termination obligations, tortious interference, and violation of the Missouri Franchise Act. On May 27, 2026, Re-Bath requested leave to file a second amended answer asserting additional breaches of contract by claimant. The final arbitration hearing is scheduled for January 2027.

NE-Bath, LLC v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-4120, filed on October 29, 2025). The claimant, a franchisee, alleged that Re-Bath has breached the franchise agreement by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant seeks damages of up to $149,999 and the ability to use a third-party marketing vendor. On May 11, 2026, Re-Bath filed an answer and counterclaim seeking damages of not less than $20,000 based on the claimant's out-of-territory sales. On June 15, 2026, the claimant voluntarily withdrew its claims. Re-Bath's counterclaims remain pending. A final arbitration hearing is scheduled for September 2027.

WB Play to Win, LLC v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-4375, filed October 31, 2025). The claimant, a franchisee, filed an initial arbitration demand on October 31, 2025, and an amended arbitration demand on February 19, 2026. The claimant alleges that Re-Bath has breached the franchise agreement, implied covenant of good faith and fair dealing, and violated the Arizona Consumer Fraud Act, Utah Consumer Sales Practice Act, Colorado Consumer Protection Act, Texas Deceptive Trade Practices Act, New Mexico Unfair Practices Act, and Nevada Deceptive Trade Practices Act by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant

seeks damages of up to $149,999, and its attorneys' fees and costs. The final arbitration hearing is scheduled for April 2027.

M2 Investments, Inc. v. Re-Bath, LLC (American Arbitration Association Case No. 01-26-0000-4087, filed on January 26, 2026). The claimant, a franchisee, alleges that Re-Bath overcharged it for the Brand Fund Fee, improperly charged a technology fee, made changes to the Manual that have an unreasonable financial burden upon claimant, and exercise control over local marketing, including the brand's website. The claimant seeks an accounting, damages in excess of $400,000, a refund for any overcharges and in connection with changes to the Manual, injunctive and declaratory relief regarding the Brand Fund Fee and technology fees, an order allowing claimant to terminate its franchise agreement or enter into a new one, and attorneys' fees and costs. Re-Bath answered the demand on February 13, 2026. No hearing date has been set.

Bathworks Enterprises, LLC v. ReBath, LLC (United States District Court District of Arizona, Civil Action No. 2:25-cv-04437-KML, filed December 1, 2025). The Plaintiff, a franchisee, has alleged Re-Bath has been charging certain fees for technology that are not permitted under the franchise agreement, misappropriating Advertising Fund contributions, restricting the use of certain marketing vendors, withholding marketing materials, and made material omissions in its FDD regarding "junk fees." Plaintiff asserts claims for breach of contract, breach of the implied covenant of good faith and fair dealing, demand for accounting, fraudulent concealment, fraudulent misrepresentation, violation of the Arizona Consumer Fraud Act, violation of the Florida Deceptive and Unfair Trade Practices Act, and declaratory judgment. On January 16, 2026, Re-Bath moved to dismiss Plaintiff's Complaint. The Plaintiff seeks damages in excess of $75,000. Plaintiff filed an Amended Complaint on February 6, 2026, asserting the same claims as its original Complaint and added an allegation of wrongful termination in breach of the franchise agreement. On February 20, 2026, Re-Bath moved to dismiss Plaintiff's Amended Complaint in part. On June 23, 2026, the court granted Re-Bath's motion to dismiss in part.

Bathroom Brothers, LLC v. ReBath, LLC (United States District Court District of Arizona, Civil Action No. 2:25-cv-00331-KML, filed January 26, 2026). The Plaintiff, a franchisee, has alleged Re-Bath has been charging certain fees for technology that are not permitted under the franchise agreement, misappropriating Advertising Fund contributions, restricting the use of certain marketing vendors, withholding marketing materials, and making material omissions in its FDD regarding "junk fees." Plaintiff asserts claims for breach of contract, breach of the implied covenant of good faith and fair dealing, demand for accounting, fraudulent concealment, fraudulent misrepresentation, violation of the Arizona Consumer Fraud Act, violation of the Georgia Fair Business Practices Act, and declaratory judgment. The Plaintiff seeks damages in excess of $75,000. On February 12, 2026, Re-Bath moved to dismiss Plaintiff's Complaint. Plaintiff filed an Amended Complaint on March 5, 2026, asserting the same claims as its original Complaint (except alleging negligent misrepresentation instead of fraudulent misrepresentation claims). On March 19, 2026, Re-Bath moved to dismiss Plaintiff's Amended Complaint.

Completed

Remodeling Solutions, Inc. v. Re-Bath, LLC (American Arbitration Association Case No. 012500015200, filed March 24, 2025). The claimant, a franchisee, alleged Re-Bath has been charging certain fees for technology that are not permitted under the franchise agreement and claimed breach of the franchise agreement and the implied covenant of good faith and fair dealing. The claimant sought damages of $149,999 and the recovery of attorneys' fees, interest, and arbitration costs. Re-Bath asserted a counterclaim in the amount of $16,000 for sales performed by the franchisee outside of the franchisee's territory in violation of the franchise agreement. The final arbitration hearing was held in January 2026. By order dated March 12, 2026, the arbitrator found in favor of Re-Bath on all of the claimant's claims, in favor of the claimant on Re-Bath's counterclaim, and awarded Re-Bath its reasonable attorneys' fees and costs as the

prevailing party. The arbitrator held that Re-Bath's imposition of a technology fee did not breach the parties' franchise agreement, did not deny the claimant its reasonable expectations of the benefit of the bargain, and did not breach the implied covenant of good faith and faith dealing On May 20, 2026, the arbitrator ordered that Re-Bath is entitled to an award from the claimant in the amount of $332,574.19 for Re-Bath's attorneys' fees and costs, plus interest at the rate of 4.25% until paid in full.

ARGS Construction Services, Inc. v. ReBath, LLC (United States District Court District of Arizona, Civil Action No. 2:25-cv-04435-SHD, filed December 1, 2025). The Plaintiff, a franchisee, alleged Re-Bath charged certain fees for technology that are not permitted under the franchise agreement, misappropriated Advertising Fund contributions, restricted the use of certain marketing vendors, and withheld marketing materials, and made omissions in its FDD regarding "junk fees." Plaintiff asserted claims for breach of contract, breach of the implied covenant of good faith and fair dealing, demand for accounting, fraudulent concealment, fraudulent misrepresentation, violation of the Arizona Consumer Fraud Act, violation of the Virginia Consumer Protection Act, and declaratory judgment. The Plaintiff sought damages in excess of $75,000. On January 16, 2026, Re-Bath moved to dismiss Plaintiff's Complaint. Plaintiff filed an Amended Complaint on February 6, 2026, asserting the same claims as its original Complaint. On February 20, 2026, Re-Bath moved to dismiss Plaintiff's Amended Complaint. On June 11, 2026, Plaintiff voluntarily dismissed its lawsuit.

Baths by Bill, LLC v. ReBath, LLC (United States District Court District of Arizona, Civil Action No. 2:25-cv-04785-GMS, filed December 18, 2025). The Plaintiff, a franchisee, alleged Re-Bath charged certain fees for technology that are not permitted under the franchise agreement, misappropriated Advertising Fund contributions, restricted the use of certain marketing vendors, and withheld marketing materials, and made omissions in its FDD regarding "junk fees." Plaintiff asserted claims for breach of contract, breach of the implied covenant of good faith and fair dealing, demand for accounting, fraudulent concealment, fraudulent misrepresentation, violation of the Arizona Consumer Fraud Act, violation of the New Hampshire Consumer Protection Act, and declaratory judgment. The Plaintiff sought damages in excess of $75,000. On February 24, 2026, Re-Bath moved to dismiss Plaintiff's Complaint. Plaintiff filed an Amended Complaint on March 17, 2026, which dropped its New Hampshire Consumer Protection Act claim and alleged negligent misrepresentation instead of fraudulent misrepresentation claims but which otherwise asserted the same claims as its original Complaint. On March 31, 2026, Re-Bath moved to dismiss Plaintiff's Amended Complaint. On June 18, 2026, Plaintiff voluntarily dismissed its lawsuit.

Charleston Bathroom Remodelers, LLC v. ReBath, LLC (United States District Court District of Arizona, Civil Action No. 2:25-cv-04695-KML, filed December 16, 2025). The Plaintiff, a franchisee, alleged Re-Bath charged certain fees for technology that are not permitted under the franchise agreement, misappropriated Advertising Fund contributions, restricted the use of certain marketing vendors, withheld marketing materials, imposed unauthorized increases in royalty charges, and made material omissions in its FDD regarding "junk fees." Plaintiff asserted claims for breach of contract, breach of the implied covenant of good faith and fair dealing, demand for accounting, fraudulent concealment, fraudulent misrepresentation, violation of the Arizona Consumer Fraud Act, and declaratory judgment. The Plaintiff sought damages in excess of $75,000. On January 23, 2026, Re-Bath moved to dismiss Plaintiff's Complaint. Plaintiff filed an Amended Complaint on February 13, 2026, asserting the same claims as its original Complaint. On February 27, 2026, Re-Bath moved to dismiss Plaintiff's Amended Complaint. On June 23, 2026, Plaintiff voluntarily dismissed its lawsuit.

Bath Makeovers, Inc., v. Re-Bath LLC (American Arbitration Association Case No. 01-25-0005-1856, filed October 16, 2025). The claimant, a franchisee, alleges that Re-Bath has breached the franchise agreement by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant

seeks damages of up to $149,999 and the ability to use a third-party marketing vendor. On February 5, 2026, the claimant filed an amended demand asserting claims for breach of contract, breach of the implied covenant of good faith and fair dealing, and violations of the Arizona Consumer Fraud Act, Maryland Franchise Act, and Maryland Consumer Protection Act. On March 2, 2026, the arbitrator dismissed the claimant's claims under Maryland law. On March 3, 2026, the claimant filed a second amended demand dropping its Maryland law claims per the arbitrator's order. On March 11, 2026, Re-Bath filed an amended answering statement and counterclaim for unspecified damages exceeding $1,000 based on the claimant's unauthorized out-of-territory sales. On May 18, 2026, the AAA dismissed the arbitration based on nonpayment of certain fees and deposits.

Bathtub & Shower Liners of Oklahoma Inc. v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-2000, filed on October 17, 2025). The claimant, a franchisee, alleged that Re-Bath breached the franchise agreement by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant sought damages of up to $149,999 and the ability to use a third-party marketing vendor. On March 30, 2026, Re-Bath filed an answer and counterclaim seeking damages of $538,349.50 based on the claimant's unauthorized out-of-territory sales. On May 5, 2026, the AAA dismissed the arbitration based on nonpayment of certain fees and deposits.

Duke Enterprises, LLC, v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-5901, filed on October 16, 2025). The claimant, a franchisee, alleged that Re-Bath breached the franchise agreement by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant sought damages of up to $149,999 and the ability to use a third-party marketing vendor. The claimant subsequently signed a release releasing all of its claims against Re-Bath in connection with a sale of its business. On March 30, 2026, the AAA dismissed the arbitration based on nonpayment of certain fees and deposits.

Haebray, Inc. and Crazy Square, Inc., v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-1993, filed on October 17, 2025). The claimant, a franchisee, alleged that Re-Bath breached the franchise agreement by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant sought damages of up to $149,999 and the ability to use a third-party marketing vendor. On April 30, 2026, the claimant voluntarily withdrew its claims.

Koehler Family Enterprises, v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-1818, filed on October 16, 2025). The claimant, a franchisee, alleges that Re-Bath has breached the franchise agreement by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant seeks damages of up to $149,999 and the ability to use a third-party marketing vendor. On April 1, 2026, the claimant voluntarily withdrew its claims.

Wells Remodeling, LLC v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-1435, filed on October 14, 2025). The claimant, a franchisee, alleges that Re-Bath has breached the franchise agreement by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The

claimant seeks damages of up to $149,999 and the ability to use a third-party marketing vendor. On January 30, 2026, the claimant filed an amended arbitration demand. On February 13, 2026, the claimant filed a second amended arbitration demand. On February 18, 2026, Re-Bath filed an amended answering statement and counterclaim seeking damages of at least $66,000 based on the claimant's unauthorized out-of-territory sales. On May 29, 2026, the claimant voluntarily withdrew its claims.

Bath of the Heartland, Inc. v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-3534, filed on October 27, 2025). The claimant, a franchisee, alleged that Re-Bath breached the franchise agreement by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant sought damages of up to $149,999 and the ability to use a third-party marketing vendor. On April 30, 2026, the claimant voluntarily withdrew its claims.

BIA Enterprises, Inc. v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-3549, filed on October 27, 2025). The claimant, a franchisee, alleged that Re-Bath breached the franchise agreement by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant sought damages of up to $149,999 and the ability to use a third-party marketing vendor. On May 5, 2026, the claimant voluntarily withdrew its claims.

L2P Solutions, LLC v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-3540, filed on October 27, 2025). The claimant, a franchisee, alleged that Re-Bath breached the franchise agreement by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant sought damages of up to $149,999 and the ability to use a third-party marketing vendor. On May 1, 2026, the claimant voluntarily withdrew its claims.

CL & J Baths, Inc. & Philadelphia Bath v. Re-Bath, LLC (American Arbitration Association Case No. 01-25-0005-4396, filed October 31, 2025). The claimant, a franchisee, file an initial arbitration demand on October 31, 2025, and an amended arbitration demand on May 14, 2026. The claimant alleged that Re-Bath breached the franchise agreement, implied covenant of good faith and fair dealing, and violated the Arizona Consumer Fraud Act by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. The claimant sought damages of up to $149,999, the ability to use a third-party marketing vendor, an accounting of the system's brand fund and media fund, and its attorneys' fees and costs. A final arbitration hearing was scheduled for October 2027. On June 17, 2026, the claimant voluntarily withdrew its claims.

Portland Bath Solutions, LLC, et al. v. Re-Bath, LLC (American Arbitration Association Case No. 01-26-0000-0590, filed on December 19, 2025). The claimant, a franchisee, alleged that Re-Bath breached the franchise agreement and implied covenant of good faith and fair dealing by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. Claimant also alleged a violation of the Washington Franchise Investment Protection Act regarding product markups. The claimant sought damages of up to $149,999, an accounting, and attorneys' fees and costs. No hearing date has been set. On June 17, 2026, the claimant voluntarily withdrew its claims.

PF Renovations, LLC, et al. v. Re-Bath, LLC (American Arbitration Association Case No. 01-26-0000-4682, filed on January 29, 2026). The claimant, a franchisee, alleged that Re-Bath breached the franchise agreement and implied covenant of good faith and fair dealing by collecting technology fees allegedly not permitted under the franchise agreement, restricting the use of certain marketing vendors, withholding marketing materials, limiting access to social media and digital marketing accounts, and requiring spending data be submitted through a certain program. Claimant also alleged a violation of the Florida Deceptive and Unfair Trade Practices Act. The claimant sought damages of up to $149,999, an accounting, and attorneys' fees and costs. On April 21, 2026, the claimant voluntarily withdrew its claims.

All Surface, LLC, et al. v. ReBath, LLC et al. (Court of Chancery of the State of Delaware, Cause No. 12284; filed Apr. 2016). A group of franchisees filed suit against us and our affiliate, Agile, alleging that Agile had sold products in geographic areas for which they had been granted territorial protection under a prior form of our franchise agreement. This action was settled in September 2016. Neither party admitted liability. Under the terms of the settlement: (a) the parties agreed to execute a new form of ReBath franchise agreement and we agreed to offer this new form of franchise agreement to all franchisees in the ReBath network, (b) the defendants agreed to permit all ReBath franchisees whose franchise agreements were set to expire in fewer than 10 years the opportunity to extend the term for 10 years in exchange for a $1,000 extension fee per agreement, and (c) the defendants agreed to pay $100,000 to plaintiff's counsel for legal fees and costs incurred by the plaintiffs. The court dismissed the case on October 4, 2016.

Rome Enterprises Inc., Koehler Family Enterprises, Inc., Koehler Partners, Inc., Port City Bath, Inc., and HD Solution, LLC v. ReBath, LLC (American Arbitration Association; filed March 19, 2018). Three franchisees filed a demand for arbitration against us alleging, among other claims, that we violated the form of franchise agreement that we and they had entered into as a result of a prior dispute that settled in September 2016, and that we violated the covenant of good faith and fair dealing. The claimants seek injunctive and declaratory relief, an award of damages, and an order permitting them to terminate their franchise agreements with us. The arbitrator issued an interim decision on April 25, 2019 that found, among other things, in our favor on certain of the alleged contractual breaches, and in favor of the franchisees on other of the alleged contractual breaches. On July 25, 2019 the arbitrator issued a final award confirming its original findings, including an award of $1,002,107.22 to the claimants for attorneys' fees, costs and expenses. On July 30, 2019 the claimants commenced an action in the United States District Court for the District of Delaware, in which they sought confirmation of the final arbitration award. On September 13, 2019, we filed a motion to vacate the final award in the Delaware court. On December 31, 2019, we entered into a settlement agreement with one of the claimants, Rome Enterprises, Inc., and its shareholder ("Rome"). The settlement agreement provides that (a) Rome will pay us $688,000, a portion of which will offset the arbitrator's award, and (b) Rome's franchise rights will be terminated. On September 29, 2020 the Delaware court entered an order confirming the arbitrator's final award and denying our motion to vacate. We subsequently satisfied the remainder of the award with respect to the non-settling claimants.

1-800 BATHTUB, LLC v. ReBath, LLC (American Arbitration Association; filed September 21, 2018). The claimant, a marketing company with whom we entered into a marketing services agreement (the "Marketing Services Agreement"), filed a demand for arbitration against us. The demand asserted, among other things, breach of the Marketing Services Agreement and conversion of the toll-free telephone number 1-800-BATHTUB, which the claimant purportedly licensed and leased to us under the Marketing Services Agreement. The claimant sought damages of $150,000 for breach of contract, unspecified trebled damages for conversion, a requirement that we transfer the telephone number to claimant, costs and legal fees. The arbitrator issued an award on March 19, 2020, granting 1-800-BATHTUB, LLC $1,554,792.79, on its claims for damages, conversion, fees and costs, interest and arbitration fees. On March 21, 2020, the claimant filed a complaint seeking to confirm the award of the arbitrator (1-800 BATHTUB, LLC v. ReBath, LLC, State Court of Mich., Circuit Court for the County of Wayne, Case No. 20-004432-CB). On April 6, 2020, we filed an answer and counterclaim, asserting, among other things, that the arbitrator

exceeded his authority by acting in contravention of controlling law and requesting that the court refuse to confirm the arbitrator's award. On the same day, we also filed a counterclaim against the claimant, seeking, among other things, that the arbitrator's award be vacated. On March 4, 2021, the circuit court issued an opinion and order vacating the arbitrator's award in part and confirming it in part. Pursuant to the opinion and order, the court vacated the portion of the arbitration decision that awarded the claimant damages for statutory conversion and treble damages and reduced the award to $354,792.79 based solely on the claimant's claims for breach of contract, attorneys' fees and arbitration costs. On March 22, 2021, the claimant filed a motion for reconsideration, which the court denied on July 21, 2021. On July 26, 2021, the claimant filed its Claim of Appeal, and on August 13, 2021, we filed our Notice of Cross-Appeal. (1-800 BATHTUB, LLC v. ReBath, LLC, Michigan Court of Appeals Case No. 357932.) Our cross-appeal challenges only the narrow portion of the court's opinion and order that upheld the legal validity of the Marketing Services Agreement. Both parties filed their respective opening appellate briefs on January 28, 2022. Responsive briefs in opposition to each appeal were filed on April 1, 2022, and reply briefs were filed on April 22, 2022. Oral argument before the Michigan Court of Appeals was held on January 10, 2023. On April 18, 2024, the Michigan Court of Appeals affirmed the circuit court's holding.

Other than the actions listed above, no litigation is required to be disclosed in this Item.

## ITEM 4
## BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

## ITEM 5
## INITIAL FEES

Initial Franchise Fee

You may acquire a Re-Bath franchise with an initial (and renewable) term of ten (10) years for an Initial Franchise Fee of $50,000 for a population within the Protected Territory that may range from 750,000 to 1,250,000 people (the "**Initial Franchise Fee**"). We may, however, offer larger or smaller Protected Territories and charge an Initial Franchise Fee that is adjusted accordingly. The Initial Franchise Fee is paid in full when you sign the Franchise Agreement. If you enter into one or more additional Franchise Agreements at the same time that you enter into the initial Franchise Agreement, the Initial Franchise Fee for each additional Franchise Agreement will be $25,000.

The Initial Franchise Fee is fully earned when received by us and is non-refundable. Except as described below, all franchisees pay the same Initial Franchise Fee.

Initial Training Fees

The cost of training is covered by your Initial Franchise Fee for a certain number of attendees as outlined in more detail below. The initial or onboarding training program is mandatory for each new franchisee (including resales of existing franchises). This training must be successfully completed to our satisfaction before you begin operations and open for business. The Operating Owner or the Manager (defined in Item 15 below) must attend this training. The number of individuals we will designate as required to complete the training will vary based upon your organizational structure and individual roles. This training may be hosted both remotely, at our corporate headquarters in Phoenix, Arizona, or other corporate facilities, and you are responsible for all travel-related expenses for the training. If you are a new franchisee (which does not include the purchase of transferred or re-sold franchises), we will not charge you a fee for a designated number of individuals to attend initial training program. If you purchased your franchise from an existing

franchisee, for which you did not pay any initial franchise fee to us, we may require you to pay a training fee to us for your initial training of up to $2,500 per person.

Initial training is conducted intermittently during the period following execution of the Franchise Agreement and the opening of your franchise. The first training session usually begins within 30 days of signing the Franchise Agreement with the Operating Owner and/or Manager. In this training, we assist you with your business plan, marketing plan and opening timeline (the "**Business Plan Training**"). The Business Plan Training will be conducted remotely via phone calls, email, and screen shares, as needed. The charge for this Business Plan Training is included in your Initial Franchise Fee.

Typically, within 4-6 weeks prior to the opening of your franchise, you will participate in in-depth training on our sales program and tools ("**Sales Training**"). This training may take place remotely or in-person at our headquarters in Phoenix, Arizona or other training facilities we designate. The Operating Owner and/or Manager, along with the individual responsible for managing sales if they are different, may be required to participate in this training. Approximately two weeks prior to coming to Sales Training, you will be assigned pre-work that includes memorization of our sales script. Following the conclusion of that pre-work, you will come to one of our training facilities for one week where you will participate in hands-on, live training including role play and training with technologies used during sales presentations. The fees for Sales Training for two attendees are included in your Initial Franchise Fee. We may charge $650 for each additional management-level attendee you wish to send to Sales Training.

Typically, within 2-4 weeks prior to the opening of your franchise, you will participate in in-depth training on the installation of our product offering ("**Installation Training**"). This training may take place remotely, at our headquarters in Phoenix, Arizona, your own Franchised Business, or other training facilities we designate. The Operating Owner and/or Manager, along with the individual responsible for managing installation if they are different, may be required to participate in this training. In the week prior to attending Installation Training, you will be assigned pre-work that consists of watching videos and reviewing certain materials. Following the conclusion of that pre-work, you will attend Installation Training for up to two weeks total (though it may not be two consecutive weeks) where you will participate in hands-on installation training. The fees for Installation Training for two attendees are included in your Initial Franchise Fee. We may charge $1,800 for each additional management-level attendee you wish to send to Installation Training.

Prior to the opening of your franchise, you will participate in in-depth training on how to train your employees that will be working in your franchise business ("**Trainer Training**"**)**. Trainer Training encompasses and includes all the required Business Plan Training, Sales Training, and Installation Training, along with other training that is specific to training your employees on our general system, standards, specifications, operations, and recommended training methods. A portion of the Trainer Training will be conducted electronically, using phone calls, email, screen shares, or other electronic interfaces, and a portion of the Trainer Training may be conducted at our headquarters in Phoenix, Arizona or other training facilities we designate. Your Operating Owner and at least one additional Manager must participate in, and complete to our satisfaction, the Trainer Training. In the week prior to Trainer Training, you will be assigned pre-work that consists of watching videos and reviewing certain materials. Following the completion of that pre-work, you will be tested on your knowledge of Business Plan Training, Sales Training, Installation Training, our general system and standards, and how to train the Re-Bath way. Attendees must score at or above eighty percent (80%) to be certified to provide training to employees. Your personnel who have completed the Trainer Training and been certified will be responsible for providing training to your other employees. The fees for Trainer Training for two attendees (your Operating Owner and one additional Manager) are included in your Initial Franchise Fee. We may charge $1,500 for any additional management-level attendee you wish to send to Trainer Training.

Finally, intermittently during the time following execution of the Franchise Agreement and the opening of your franchise, you will be trained on the other critical components of our System, which include, among other things, our marketing tools and programs, financial reporting, our CRM system and other software applications used to run your business ("**Additional System Training**'). A portion of this training may take place remotely via webinars, screen shares, and phone calls, and a portion may be conducted at our headquarters in Phoenix, Arizona or other training facilities we designate. The Operating Owner and/or Manager may be required to participate in this training. The fees for Additional System Training are included in your Initial Franchise Fee.

You are responsible for travel-related and other expenses incurred by you and your employees to attend training at and from the locations we designate. All training fees are fully earned when received by us and are non-refundable.

Initial Inventory and Supplies

You must purchase supplies and inventory necessary to start your Franchised Business, some of which may be purchased from us or our affiliates. We do not specify a minimum amount of supplies and inventory that must be purchased from us or our affiliates prior to opening your Franchised Business. We estimate that you are likely to purchase between $6,000 and $10,000 of supplies and inventory from us or our affiliates prior to starting your Franchised Business. Any purchases that you make from us or our affiliates are non-refundable.

In 2025, all initial fees listed above were uniformly imposed.

## ITEM 6
## OTHER FEES

<table>
<tr><th>Type of Fee (1)</th><th>Amount</th><th>Date Due</th><th>Remarks</th></tr>
<tr><td>Royalty Fees</td><td><table><tr><th>Weekly Gross Sales</th><th>Royalty Fee</th></tr><tr><td>Less than $0.04/person</td><td>6% of Gross Sales</td></tr><tr><td>Greater than or equal to $0.04/person</td><td>5% of Gross Sales</td></tr></table></td><td>By the Thursday of the 8th week after the date of customer contract signature.</td><td>See Notes 2, 3, and 4. We may increase the Royalty Fees to 8% of Gross Sales if you violate our applicable pricing policy.</td></tr>
<tr><td>Minimum Royalty Fees</td><td><table><tr><th>Year*</th><th>Minimum Royalty Fees Per Week</th></tr><tr><td>1</td><td>$150 per week</td></tr><tr><td>2</td><td>$350 per week</td></tr><tr><td>3</td><td>$700 per week</td></tr><tr><td>4 and beyond</td><td>$800 per week</td></tr></table></td><td>By the Thursday of the 8th week after the date of customer contract signature.</td><td>See Notes 1 and 4. Beginning 6 months after you have signed the Franchise Agreement, you must pay these fees.</td></tr>
<tr><td>Minimum Annual Gross Sales Deficiency Fee</td><td>The difference between the Minimum Annual Gross Sales generated by your Franchised Business in a Year and the amount described in the chart below:</td><td>On demand (within 15 days of your receipt of our invoice)</td><td>See Note 1. If the Franchised Business fails to generate the Minimum Annual Gross Sales, you may cure this default by paying to us the difference between the total Royalty Fees or Minimum Royalty Fees that you actually paid and the Royalty Fees that you would have</td></tr>
</table>

<table>
<tr><th>Type of Fee (1)</th><th>Amount</th><th>Date Due</th><th>Remarks</th></tr>
<tr><td></td><td><table><tr><th>Year*</th><th>Minimum Annual Gross Sales</th></tr><tr><td>1</td><td>$0.50 per Person*</td></tr><tr><td>2</td><td>$1.00 per Person</td></tr><tr><td>3 & Beyond</td><td>$1.50 per Person</td></tr></table>*“Person” means an individual in the Population described in Exhibit A-1 of the Franchise Agreement</td><td></td><td>paid if you had met the Minimum Annual Gross Sale.</td></tr>
<tr><td>Advertising Contribution</td><td>2% of the Gross Sales from 8 weeks prior</td><td>By the Thursday of the 8th week after the date of customer contract signature.</td><td>Commencing in the third month following the execution of the Franchise Agreement. See Note 3 and 5. We may increase the Advertising Contribution up to 6% of Gross Sales, provided the combined total of the Advertising Contribution and the Minimum Local Advertising Requirement will not exceed 15% of Gross Sales.</td></tr>
<tr><td>Minimum Advertising Contribution</td><td><table><tr><th>Year*</th><th>Advertising Contribution</th></tr><tr><td>1</td><td>$75/week</td></tr><tr><td>2</td><td>$175/ week</td></tr><tr><td>3</td><td>$350/ week</td></tr><tr><td>4 and beyond</td><td>$400/ week</td></tr></table></td><td>By the Thursday of the 8th week after the date of customer contract signature.</td><td>Commencing in the third month following the execution of the Franchise Agreement. Payable to the Advertising Fund. See Notes 1 and 5.</td></tr>
<tr><td>Cooperative Contribution</td><td>Up to 40% of the Minimum Local Advertising Requirement.</td><td>Monthly, as specified</td><td>Payable if we require you and other franchisees to form an Advertising Cooperative. Currently, there are no Advertising Cooperatives in the System. If you are required to participate in an Advertising Cooperative in the future, Advertising Cooperative payments will offset your Minimum Local Advertising Requirement, which is explained in Item 11 below.</td></tr>
<tr><td>Managed Services</td><td>Our then-current fee. See Note 6 for calculation of current Managed Services fee.</td><td>Upon Invoice</td><td>The Managed Services fee is a monthly fee paid to us or our affiliate in exchange for various services you will obtain from us or our affiliate or that we or our affiliate otherwise manage on your behalf. This fee may be adjusted periodically based on increases in service costs and/or if we or our affiliate offer updated, additional, different services. See Note 6.</td></tr>
</table>

| Type of Fee (1) | Amount | Date Due | Remarks |
|---|---|---|---|
| Additional, Refresher, or Replacement Training Fee | Our then-current fee, currently $500 per day, per trainee if training takes place at the facilities we designate; $500 per day, per trainer if taking place at your location; for product installation training, there is an additional charge of $1,800 per trainee for training materials. | As incurred | At your request, we may provide training specific to your franchise, either at your business location or at the corporate office. We may also require you to complete refresher Trainer Training from time to time. These fees also apply to replacement trainees. We may increase this fee up to 10% annually. |
| Annual Owners' Retreat | Our then-current fee, currently $1,000 per person | Before the Retreat | At least one owner who owns 20% or more of the Franchised Business must attend.<br><br>You are responsible for travel-related and other expenses incurred by you and your attendees to attend the annual retreat. We may increase this fee up to 10% annually. |
| Annual Certification Training | Our then-current fee, currently $200 per person | Before the training | Your Manager or the Operating Owner must attend. See Item 15.<br><br>You are responsible for travel-related and other expenses incurred by you and your attendees to attend the annual certification program. We may increase this fee up to 10% fee annually. |
| Renewal Fee | 25% of our then-current initial franchise fee | Before renewal | You must pay this fee if you renew your right to operate the Franchised Business. We may increase the initial franchise fee up to 10% annually. |
| Transfer Fee | 50% of our then-current initial franchise fee | Before transfer | You must pay us this fee when you sell a controlling interest in the Business Entity that owns the Franchised Business or when you sell the Franchised Business in its entirety.<br><br>If the transfer is for a partial, non-controlling interest, no transfer fee is charged. We may increase the initial franchise fee up to 10% annually. |
| Dishonored Check | $100 each plus any fees charged by our bank | On demand | You must pay us for each check returned by your bank for insufficient funds in your account. |
| Late Payment/ Late Report Charge | $150 for each week or part of a week that the payment or report is late | On demand | Payable when any payment or report is not actually received by us (or the Advertising Fund or Advertising Cooperative) on or before the date the payment or report is due. This fee is in addition to the overdue amount. |

| Type of Fee (1) | Amount | Date Due | Remarks |
|---|---|---|---|
| Interest | 1.5% per month, or the maximum rate permitted by law, whichever is less | On demand | Begins to accrue the day payments become overdue. |
| Damages, Including Attorneys' Fees and Costs | Varies according to loss | On demand | Payable only if you do not comply with the Franchise Agreement. |
| Warranty Claim and Customer Complaint Costs and Expenses | Varies according to loss | On demand | You must pay us any fees, costs, or expenses we incur if we manage any warranty claims or customer complaints, or any disputes (including litigation) relating to customer complaints or warranty claims. |
| Liquidated Damages for an Unauthorized Installation, Project, or Sale | For each unauthorized installation, project, or sale made in another franchisee's territory, you must pay us or the affected franchisee, licensee, or affiliate liquidated damages equal to 50% of your then-current Average Ticket. | On demand | "Average Ticket" calculated by dividing your total Gross Sales during the six (6) full calendar months prior to the date when the unauthorized installation was completed by the number of jobs you sold in the same time period. |
| Reimbursement of Payments on Your Behalf | 100% of the amount we paid on your behalf | On demand | Within 15 days of our written request, you must pay us any monies which we have paid, or have become obligated to pay, on your behalf. |
| Technology Fee | Our then-current fee, currently comprised of (a) a monthly territory component of $1 for every 1,000 people in your territory population, plus (b) monthly user rates of $12 to $213 per your staff member using such technologies (see Note 7). | 15th day of each month | You must pay us a Technology Fee in connection with your access to certain technology systems, services, platforms, and software we require you to obtain or access from or through us. See Note 7 regarding the formula for calculating the Technology Fee. |
| Inspection or Audit | $10,000 | On demand | Payable only if audit reveals an understatement of 2% or more or if the inspection or audit was necessary because you failed to timely provide required sales reports. You must pay accountants' and attorneys' fees, and costs of travel and living expenses for representatives. |
| Liquidated Damages Upon Termination | Based on formula. See Note 8. | Within 10 days after effective date of termination | Payable to us as liquidated damages if the Franchise Agreement is terminated due to your default. |
| National Account Lead Referral Fees | Our then-current fee, currently $0 | On demand | See Note 9. |
| Lead Referral Fees | Our then-current fee, currently $0 | On demand | See Note 9. |

| Type of Fee (1) | Amount | Date Due | Remarks |
|---|---|---|---|
| Contact Center Program | Our then-current fee, currently $0 | On demand | See Note 10. |
| Broadcast Marketing Cancelation Fee | 5% of your monthly media spend | On demand | Payable if you elect to enroll in an optional Broadcast Marketing program and you thereafter cancel your participation. |

Notes:

1. Fee Payment Information: All fees are imposed by us and are payable to us or our affiliate unless otherwise stated. You must sign any document necessary to authorize us to withdraw royalties, advertising fees and any other ongoing fees directly from your bank account. All fees are non-refundable and are uniformly imposed on similarly situated franchisees. We reserve the right to modify these fees in certain circumstances. Currently, there are no cooperatives in the system that impose any fees, and neither we nor our affiliates operate any company-owned units. Accordingly, no company-owned units have voting power in any cooperative. If a cooperative were to impose fees, we would have the ability to establish and modify any fees in connection with that cooperative, at our option.

   All payments based on the Gross Sales must be paid and submitted so as to be received by us by the eighth ($8^{th}$) week after the date of execution of the applicable customer contract. You must deliver to us any and all reports, statements and/or other information that we require, at the time and in the format that we request, which may include electronically polled data from your Computer System. You must timely close your books on or before the required reporting deadline set out in the Manual and submit accurate financial reports. You must comply with the payment and reporting procedures specified in the Manual. To ensure that payments are received by us on a timely basis, our policies and procedures may require that you have sufficient funds in your account by Wednesday of each week, as the EFT process may sweep your account the day before for payment on the preceding day. Payments that are not based on Gross Sales may also be paid by EFT, or by check or credit card. Payments made by credit card are subject to additional handling charges of up to 3%.

   We may periodically increase all of the specific dollar amounts referenced above or in the Franchise Agreement, including the weekly Minimum Royalties Fees, the per Person amount for the Minimum Annual Gross Sales Requirement, the per Person amount for Minimum Local Advertising Requirement, and weekly Minimum Advertising Contribution, but no more than once during a fiscal year, to reflect increases in the Metropolitan Area Consumer Price Index ("CPI") for Urban Consumers -- All Items (1982 - 1984 = 100) as published by the U.S. Department of Labor or in a successor index. Any percentage increase based on a CPI increase will be uniform for all franchisees.

2. Gross Sales: "**Gross Sales**" means the sum value of executed customer contracts, total service revenues, and any other non-contracted revenues of every kind and nature related to, derived from, or originating from the Franchised Business; provided, however, that "Gross Sales" excludes any customer refunds, sales taxes, and/or other taxes collected from customers by you and actually transmitted to the appropriate taxing authorities. We may modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change.

3. Royalty Fees and Advertising Contributions: The applicable weekly Royalty Fees and Advertising Contributions will be determined by your Gross Sales, as reported or adjusted in our required customer relationship management software, or other software or system of record we designate at our sole option, for the week that occurred eight (8) weeks prior, or for such other period as we may specify in the Manual or otherwise in writing. Some existing franchisees operating under legacy forms of franchise agreement pay a lower royalty rate (which royalty terms may continue for such franchisees upon renewal), ranging from 2% (or 3%) to 5% of installed sales or gross sales (depending on the version of agreement), depending on such franchisee's applicable sales for the prior month, subject to a minimum monthly royalty payment. In addition, instead of contributing to the Advertising Fund that you will contribute to, some existing franchisees make contributions to a separate Media Fund and/or separate Brand Fund, which were established under legacy forms of the franchise agreement (which contribution calculations may continue for such franchisees upon renewal). Depending on their particular version of the franchise agreement, some franchisees contribute to these funds as follows: 0.33% of gross sales to the Brand Fund (also known as National Branding Fund and/or System Branding Fund), subject to a monthly minimum contribution of $175 per month; 2% of installed sales to the Brand Fund, subject to a monthly minimum contribution; or (I) to the Brand Fund in an amount equal to the lesser of (a) (i) the greater of the population of the franchisee's territory multiplied by the franchisee's minimum installed sales requirement for the market size multiplied by 0.5%, or (ii) 0.5% of the franchisee's installed sales for the previous month, or (b) 1.5 multiplied by the franchisee's average monthly installed sales for all mature franchises multiplied by 0.5%, and (II) to the Media Fund in an amount equal to the lesser of (A) (i) the greater of franchisee's territory population multiplied by the minimum installed sales requirement for the market size multiplied by 1.5% or (ii) 1.5% of the franchisee's installed sales for the previous month, or (B) (w) the aggregate actual installed sales for all mature franchisees in such franchisee's territory category divided by the total population for all mature franchisees in such franchisee's territory category (x) multiplied by 2.0 (y) multiplied by the Territory population (z) multiplied by 1.5%. Franchisees who contribute to the Media Fund and/or Brand Fund do not contribute to the Advertising Fund. A "mature franchise" is a Franchised Business that has been operated by a franchisee for at least 36 consecutive months as of the last day of the calendar year being measured.

4. Minimum Royalty Fees: You are required to pay us either the Royalty Fees or the Minimum Royalty Fees, whichever is greater. The Minimum Royalty Fee only applies if the actual Royalty Fee paid to us does not meet your minimum royalty obligation.

5. Minimum Advertising Contribution: You are required to pay us either the Advertising Contribution or the Minimum Advertising Contribution each week, whichever is greater. The Minimum Advertising Contribution only applies if the actual Advertising Contribution paid to us does not meet your minimum Advertising Contribution obligation.

* "**Year**" refers to our fiscal year, which is currently the same as the calendar year. The start of "Year 1" will vary depending on the Effective Date of your Franchise Agreement. If your Effective Date occurs during the first 6 months of our fiscal year (currently between January 1st and June 30th), "Year 1" for purposes of the table above will commence on the date of your Effective Date and will expire at the end of that same fiscal year (currently, the ensuing December 31st). However, if your Effective Date occurs during the second 6 months of our fiscal year (currently between July 1st and December 31st), "Year 1" will commence on the date of your Effective Date and will expire at the end of our subsequent fiscal year. As a result, "Year 1" may be as short as 6 months (which would occur if the date of your Effective Date was June 30th), or as long as one year and 6 months (which would occur if the date of your Effective Date was July 1st).

6. Managed Services: We and our affiliates or designees may control and direct certain centralized services intended to benefit the System, promote the Marks and/or ensure consistency across the System and for any individual franchised business (including your Franchised Business) and/or the entire network of Re-Bath Businesses, including but not limited to Marketing Media Services, customer sales cycle programs and presentations, training, technology, customer service or other centralized services as we deem appropriate from time to time and at our option. These services are currently provided by us, though we anticipate that our affiliate, HBG Services, will begin providing these services in 2026 or 2027. We or our affiliate may increase or otherwise change the amount of the Managed Services fees, upon prior written notice to you, if there are changes in any aspect of the managed services that you obtain or access through or from us or our affiliate or changes in our or our affiliate's costs regarding such services or related technology systems, platforms, and software. This fee will be based on the costs of the services that franchisees obtain from or through us or our affiliate, which underlying costs may change in ways that neither we nor our affiliate can predict. We anticipate that this fee will not increase by more than 5% per year (plus CPI adjustments); provided if we elect to impose fees in connection with the contact center program and include such fees within the Managed Services fee, the imposition and increase to such component of the Managed Services fee will be as set forth in footnote 10 below.

   Marketing Media Services: The Marketing Media Services described below are captured within the Managed Services fees. We and our affiliates or designees currently control and direct all marketing programs or services that are intended to promote the Marks, the System, any individual franchised business (including your Franchised Business), and/or the entire network of Re-Bath Businesses, including the concepts, materials and media used in such marketing programs or services, and the placement and allocation thereof, on your behalf for a fee ("Marketing Media Services"). We currently require you to use our Marketing Media Services regarding Digital Marketing Services and Broadcast Marketing Services, but we may offer additional services in the future. If we require you to, or you elect to, use us (or our affiliates or designees) for one or more Marketing Media Services, you must pay our then-current fees as set forth below:

   The current monthly fees for our Digital Marketing Services are tied to the amount of your monthly digital media spend that we or our affiliate place on your behalf as set forth below:

| Monthly Digital Media Spend | | Monthly Digital Marketing Fee |
|---|---|---|
| ≤$5,000 monthly media spend | = | $900 per month |
| $5,000.01 - $10,000 | = | 15% of spend |
| $10,000.01 - $15,000 | = | 12.5% of spend |
| $15,000.01 - $30,000 | = | 10% of spend |
| $30,000.01+ | = | 7.5% of spend |

   The current monthly fees for our Broadcast Marketing Services are tied to the amount of your monthly broadcast media spend that we or our affiliate place on your behalf as set forth below:

| Monthly Broadcast Media Spend* | | Monthly Broadcast Marketing Fee |
|---|---|---|
| ≤$10,000 monthly spend | = | 10% of spend |
| $10,000.01 - $40,000 | = | 7.5% of spend |
| $40,000.01+ | = | 5% of spend |

   *Cancellation fee: one-time payment equal to 5% of monthly spend.

7. Technology Fee. You must pay us a monthly Technology Fee for access to and/or use of technology systems, services, platforms, and software that we require you to obtain or access from or through

us or a third-party provider through a sub-license through us, as we deem necessary and advisable in our sole determination, which may include, but is not limited to licenses, subscriptions, development, maintenance, and/or access to point-of-sale system, software, and platform, intranet, online ordering system, an email address, Other Required Software (pre-loaded or standalone computer software programs and accounting system software that you must use in connection with the Computer System), and/or any aspects of the Computer System or POS System we designate, as well as reasonable labor and overhead costs and margin for us to service, maintain, and administer the technology. The Technology Fee is currently calculated based on the following components: (1) your territory population size, and (2) the number of your users of the Computer System and their respective roles. The territory component of the Technology Fee is currently $1 per month for every 1,000 people in your Protected Territory. The user rate component of the Technology Fee is currently as follows:

| **Department and Role** | **Monthly User Rate** |
|---|---|
| Marketing Manager | $106 |
| Marketing Staff | $106 |
| National Accounts Manager | $106 |
| National Accounts Staff | $12 |
| Office Management Manager | $213 |
| Office Management Staff | $120 |
| Production Manager | $124 |
| Production Staff | $46 |
| Sales Manager | $179 |
| Sales Staff | $73 |

The Technology Fee (including the territory component and user rate component) will be reviewed periodically and may be adjusted up to twice per year. We may increase or otherwise change the amount of the Technology Fee, and your precise Technology Fee may change, upon prior written notice to you, if there are changes in any aspect of the Computer System, including upon changes to the technology systems, services, platforms, and software that you obtain or access through or from us or changes in our costs regarding such technology systems, services, platforms, and software. This fee will be based on the costs of the technologies that franchisees obtain from or through us, which underlying costs may change in ways that we cannot predict, any may include our reasonable labor and overhead costs and margin for us to service, maintain, and administer the technology. We anticipate that this fee will not increase by more than 25% per year (plus CPI adjustments).

8. Liquidated Damages: If we terminate the Franchise Agreement due to your default, you will pay us liquidated damages in an amount equal to the product of the average yearly amount of Royalty

Fees paid during the 3 years immediately preceding the termination (or such period as the Restaurant was open for business, if the Restaurant was not open for business during the entire three-year period), multiplied by the lesser of 3 or the number of years remaining in the then-current term.

9. Lead Referrals: In connection with the National Account program, we and/or any National Account may charge you lead referral and/or administrative fees in return for National Account referrals. We currently anticipate that, if imposed, such lead referral and/or administrative fees will not exceed 16.5% of the Gross Sales per lead. In connection with other lead referral programs, we and/or the referral source may charge you lead referral in return for sales leads within your Protected Territory. We currently anticipate that, if imposed, such lead referral will not exceed 16.5% of the Gross Sales per lead.

10. Contact Center Program: The fees and costs of the contact center program may, at our option, be included within the Managed Services Fee or be as otherwise designated by us. We currently anticipate that, if imposed, whether as a new component of the Managed Services fee or as a separate fee, the fee for the contact center program initially will not exceed $1,200 per month per Franchised Business initially, and will not increase by more than 5% per year (plus CPI adjustments).

## ITEM 7
## ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

| Type of Expenditure | Low Amount | High Amount | Method of Payment | When Due | To Whom Payment is to be Made |
|---|---|---|---|---|---|
| Initial Franchise Fee [(1)] | $50,000 | $50,000 | Lump sum | When you sign the Franchise Agreement | Us |
| Initial Training [(2)] | $0 | $5,000 | Lump sum, if applicable | When training begins | Us |
| Travel and Living Expenses During Training [(3)] | $2,000 | $8,000 | As incurred | As incurred | Airlines, hotels, and restaurants |
| Insurance Premium (auto and general commercial liability), 3 months [(4)] | $3,000 | $10,000 | As agreed | Prior to opening | Insurance agent or carrier |
| Business License and Permits [(5)] | $2,000 | $5,000 | As incurred | As incurred | Government agencies |
| Vehicle(s) [(6)] | $30,000 | $80,000 | As negotiated | As negotiated | Third parties |
| Vehicle(s) "Wrap" Advertising [(7)] | $400 | $4,000 | As incurred | As agreed | Vendor |
| Equipment, Supplies & Inventory [(8)] | $18,000 | $50,000 | As incurred | As agreed | Vendor or our affiliates |
| Internet, 3 months | $100 | $300 | As agreed | As agreed | Third parties |

| Type of Expenditure | Low Amount | High Amount | Method of Payment | When Due | To Whom Payment is to be Made |
|---|---|---|---|---|---|
| Showroom / Warehouse / Office [(9)] | $60,000 | $100,000 | As incurred | Warehouse and Office required before opening; Showroom required by end of month 5 | Third parties |
| Professional Fees [(10)] | $1,000 | $4,000 | As incurred | As agreed | Third parties |
| Grand Opening Campaign and Minimum Local Advertising Requirement[(11)] | $34,375 | $40,625 | As incurred | As incurred | Third parties |
| Additional Funds, 3 Months [(12)] | $75,000 | $250,000 | As agreed | As incurred | Employees, utilities, suppliers, etc. |
| **Total Estimated Initial Investment [(13)]** | **$275,875** | **$606,925** | | | |

Notes:

1. The details of the Initial Franchise Fee are described in Item 5, including the conditions under which this fee is refundable.

2. We will train you and your Operating Owner and your Managers both remotely and in person at our designated training facilities which may be in Phoenix, Arizona, or other locations we designate. However, we may not require that all of these individuals attend. We do not charge for Business Plan Training, Additional System Training, or initial Trainer Training, as those fees are included in the Initial Franchise Fee. We do not charge for two attendees to attend Installation Training and two attendees to attend System Training, but we may charge $1,800 for each additional management-level attendee to Installation Training and $650 for each additional management-level attendee to Sales Training. You are responsible for all travel expenses, including hotel, transportation, meals and other incidental expenses that your or your employees incur during training, as well as any wages of your employees for their time during training. If you purchased your franchise from an existing franchisee, for which you did not pay any initial franchise fee to us, we may require you to pay a training fee to us for your initial training of up to $2,500 per person.

3. This figure estimates the travel and living expenses, including airfare, which you will incur when you and your employees attend the initial training programs. The cost you incur will vary depending upon factors such as distance traveled, mode of transportation, travel preferences (such as air travel or ground transportation), nature of accommodations, per diem expenses actually incurred, and the number of persons who attend training. It does not include any wages or salary for you or your trainees during training.

4. This is an estimate of insurance premiums (auto and commercial general liability) for the initial 3 months of business operation. Your costs will vary depending on your market, the amount of coverage you select, your insurance carrier, and other factors.

5. You are required to obtain a business license or permit before you start business. Local, municipal, county, and state regulations vary on what licenses and permits are required by you to operate. For example, you may be required to obtain a plumbing license prior to commencing operations of your Franchise Business.

6. You may purchase a new or used Vehicle (defined in Item 8), or convert your existing van, so that it meets the Vehicle specifications listed in our Manual, including Vehicle color and designated makes and models, and is approved by us.

7. Your Vehicle must display the Re-Bath marks as set forth in the Manual. Currently, you are required to have branded vehicle graphics on your Vehicle. You are required to use our approved vendor to purchase and install vehicle graphics that include a range of options from a magnet to a full vehicle wrap.

8. You will need to purchase furniture, fixtures, computers, telephones, cell phones, printers, and other equipment for your office and warehouse initially, as well as supplies and inventory.

9. Within 60 days after the Effective Date of the Franchise Agreement, you must obtain written approval from us for the location of your showroom prior to executing a lease or purchase agreement for the space and you must execute a lease or purchase agreement for the showroom. You must have a complete and operational showroom built out to our specifications within 5 months after executing the lease or purchase agreement for an approved showroom location. You must have operational warehouse and office space prior to your "Soft Opening" (described in #12 below). In addition, you must commence operations from the showroom within 6 months after signing the Franchise Agreement. We refer to this as the "Grand Opening" (further described in #12 below). Your Grand Opening must be scheduled after your Soft Opening. You may locate your showroom, warehouse and office together in one building or you may locate them separately. You are required to display certain products in your showroom and prohibited from displaying others. We recommend that your showroom have 1,000 to 1,200 square feet so that it can display all of the required products. We recommend that you secure approximately 2,500 square feet, minimum of space for the warehouse and 300 square feet of space for the office. Your showroom must have interior signage and an exterior sign utilizing the Marks in accordance with our specifications. In the event you move your showroom during the term of the Franchise Agreement, you must obtain approval from us for the new location before you relocate and any relocation must be within your Protected Territory. The cost of exterior showroom signs vary depending on size and type and variations in local ordinances, although average costs range between $3,000 and $5,000. The leasehold improvements that you may have to make to a built but unimproved location include items such as interior remodeling, painting, HVAC, electrical, sprinkler, plumbing, design and other improvements. If you purchase property or a building, or both, for the warehouse, your additional costs will depend on the location and size of the land and building; these costs are not included in the above chart. We would not typically invest in the land and building for a Franchised Business. We are unable to estimate these costs due to the significant variances based on location and market conditions. This amount will also vary depending on whether your showroom, warehouse, and office are located in the same facility or at separate locations.

10. This estimate is for legal, accounting, administrative, permitting, brokerage, and miscellaneous other professional fees that you might incur before you open for business, including (among other things) to assist you in reviewing the Franchise Agreement. Your actual cost may vary.

11. Your "Grand Opening" is the date on which you open and operate your completed and approved showroom. During the 30 days leading up to your Grand Opening date, you must spend at least

$25,000 on local advertising in connection with your Grand Opening. In addition, the first year you are in operation you will have to meet the Minimum Local Advertising Requirement each calendar quarter, which for the first year will amount to spending at least $.05 per person in your Protected Territory. The range above reflects the required spend for the Grand Opening campaign plus the estimated Minimum Local Advertising Requirement for the initial 3 months for a Protected Territory that has 750,000 to 1,250,000 people.

You must obtain our approval before you open the showroom and conduct the Grand Opening. In addition, you may have a "Soft Opening" prior to your Grand Opening. A "Soft Opening" is the date on which you begin to respond to leads and set sales appointments. To establish brand awareness in your market and to begin to generate leads prior to the Soft Opening, we strongly recommend that you advertise locally in advance of that date. During your Business Plan Training, our marketing team will work with you to build in a marketing plan and timeline. You must provide us notice of your intended date for Soft Opening and such date is subject to our approval.

12. You will need additional capital to support on-going expenses during the initial 3 months after you open for business and for the timing on when you get paid on National Account jobs. The estimate includes items such as product for National Account jobs, payroll, royalty, advertising fees, additional advertising, repairs and maintenance, bank charges, miscellaneous supplies and equipment, state tax, and other miscellaneous items, that may not be covered by sales revenues.

13. The figures in this table are only estimates. In compiling these estimates, we have relied on the experience and data collected from our existing franchisees. Your start-up expenses may be higher or lower than these estimates and you may need operating funds other than these estimates. The estimate does not include Royalty Fees, Minimum Royalty Fees, or Advertising Contribution payments to us. In addition, inflation, tariffs, or worldwide events may impact various costs, including, among others, regarding vehicles, wrap advertising, equipment, supplies, and inventory.

    You will need to have staff on-hand before opening to prepare the Franchised Business for opening, for training, orientation, and related purposes.

    If you are converting an existing business offering services similar to a Franchised Business, the costs stated above may be near the lower amounts estimated. For example, if you already own a business that you are converting to a Franchised Business, you may already own some of the equipment and the Vehicle you will need.

    Unless otherwise noted above, expenditures are non-refundable. We do not offer direct or indirect financing to you for any items. The availability of financing through third-party lenders, if any, will depend on factors such as the lending policies of such financial institutions, the collateral you may have, your creditworthiness, and the general availability of financing.

## ITEM 8
## RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

To ensure that the highest degree of quality and service is maintained, you must operate the Franchised Business in strict conformity with the methods, standards, and specifications as we may periodically prescribe in the Manual or otherwise in writing. You must not deviate from our standards and specifications, unless you have received our prior written consent.

Operations

You must establish and operate your Franchised Business in compliance with your Franchise Agreement and the Manual we loan to you, which we may modify, in our discretion.

Products and Services

You must offer and sell only those products and services that we have authorized you to sell. You must buy all products, supplies, equipment, systems, technology, materials, and other products used or offered for sale at the Franchised Business only from approved and designated suppliers (including manufacturers, distributors, and other sources). Additionally, you must obtain any materials that display our Marks only from us or from suppliers we designate or approve.

Approved products, services, systems, technology, and suppliers are listed in the Manual or otherwise in writing and may change from time to time at our option. You may submit to us a written request for approval of another product, service, systems, technology, or supplier, and we have sole discretion to determine whether or not to approve the request. When considering whether to approve any possible supplier, we will consider (among others) the following factors: whether the supplier can demonstrate, to our reasonable satisfaction, the ability to meet our then current standards and specifications; whether the supplier has adequate quality controls and capacity to supply the System's needs promptly and reliably; and whether the supplier's approval would enable the System, in our sole opinion, to take advantage of marketplace efficiencies. You may not buy from any supplier that we have not approved in writing, and you must stop buying from any supplier who we approve, but later disapprove. We have the right to designate a single supplier or manufacturer for a particular product. We or our affiliate may be a supplier, or the sole approved supplier, of any product, service, system, or technology.

If you want to buy any products, services, or any other items from an unapproved supplier, you first must submit to us a written request for our approval. You may not purchase products or services from any proposed new supplier until we have approved in writing the proposed new supplier. There is no limit on the time we may take in evaluating a proposed supplier, however we expect to provide you with approval or disapproval of the supplier within 30 days from our receipt of your request and all requested samples and information. We also may require that the proposed new supplier comply with certain other requirements that we may deem appropriate, including for example payment of reasonable continuing inspection fees and administrative costs, or other payment to us by the supplier on account of their dealings with you or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that we may render to our suppliers. Currently, there are no fees in connection with securing supplier approval. We may approve or disapprove of the suppliers who may be permitted to sell products to you in our discretion.

Currently, you must purchase all of the following products from us or our affiliates: acrylic and natural stone wall systems; acrylic and natural stone accessories; bathtub liners; shower bases; and walk-in

bathtubs. We or our affiliates may in the future become a designated supplier for products and services. Agile or our other affiliates may become the exclusive supplier of other goods or services. We may require you to use an approved merchant process we designate in connection with credit card and debit card processing. The complete list of all designated and approved suppliers is contained in our Manual. We may modify this list from time to time.

We and our affiliates have also established a network of preferred vendors, which includes us, our affiliates, and third-party vendors that we specify from time to time ("**Preferred Vendors**"). We and our affiliates may negotiate and enter into purchase arrangements with certain vendors for the benefit of the System, including us, the entire network of Re-Bath Businesses, and Franchised Businesses, which may include discounted pricing, special terms, rebates or other incentives. We may also negotiate or enter into these types of arrangements directly. We do not have in place any other purchasing arrangements at this time.

We and our affiliates may earn revenue or rebates from your purchase of required products or services. We or our affiliates may receive a margin on products or services provided to you. In the year ending December 31, 2025, we received $5,341,312 in revenue from Technology Fees and Managed Services fees by our franchisees, which was 20.7% of our total revenue of approximately $25,814,525. In the year ending December 31, 2025, our affiliate Agile received $47,637,153 in revenue from required purchases by our franchisees. In the year ending December 31, 2025, we received rebates from purchases made by our franchisees totaling $4,778,616, and those rebates ranged from $1.00 to $500 per unit. Rebate payments are primarily based on the percentage of the purchase amount made by the franchisees for required products, although in some cases, we may receive a flat fee. We and our affiliates may use rebate or other payments received from suppliers for any purpose in our (or our affiliate's) sole determination.

Insurance

Under the Franchise Agreement, you must obtain and maintain the insurance coverages and policies that we prescribe in the Manual. Each insurance policy must be issued by an issuer we approve, who must have an A.M. Best's Financial Strength Rating of A (Excellent) or better and Financial Size Category of X or higher in the most recent *Key Rating Guide* published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and must be licensed to do business in the state in which the Franchised Business is located. All liability and property damage policies must name us, our affiliates, and their respective officers, directors, employees, partners, members, subsidiaries, employees and agents as additional insureds and must provide that each policy cannot be cancelled unless we are given 60 days' prior written notice. We may periodically increase required coverage limits or require additional or different coverage to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances. You must deliver to us (and in the future maintain on file with us) valid and current certificates of insurance showing that all required insurance is in full force and effect.

Warranties

You must comply with the policies relating to warranties that we designate from time to time in the Manual or otherwise in writing. Our current warranty requirements include:

1. We or our affiliates will provide a warranty to your customers on all products that we and they manufacture that is reasonably competitive with the warranties offered on similar products by third parties (the "**Product Warranty**"). At the time of installation of any product that is covered by the Product Warranty, you must deliver a copy of the then-current Product Warranty to the customer. The warranties provided by us or our affiliates are subject to change, upon written notification to you by us.

2. You must provide a full workmanship warranty to your customers with respect to all workmanship and installation services provided by you, which you are solely responsible for servicing and fulfilling at your own expense ("**Workmanship Warranty**"). The Workmanship Warranty is not offered or provided by us or any other third party. You must include in your customer agreement a provision stating that the Workmanship Warranty is provided solely by you and is not offered or provided by us or any other third party. You must comply with the policies and procedures relating to the Workmanship Warranty that we may specify in the Manual or otherwise in writing, including our specifications regarding the duration of such warranty. You must offer any other warranties we may designate from time to time.

3. You must service and successfully resolve all Product Warranty and Workmanship Warranty claims from (a) customers within your Protected Territory, regardless of who provided the original installation services, and (b) customers for whom you provided the original installation services, regardless of whether the customer is located inside or outside of your Protected Territory. These claims will be serviced in accordance with our then-current warranty credit policy whereby you may receive certain product discounts and labor credits for the work you conduct on the claims. You must comply with the policies and procedures set forth in the Manual or otherwise in writing for servicing warranty claims and calls.

4. Unless otherwise notified by us, you must promptly, fully, and courteously respond to and resolve all customer complaints and warranty claims regarding installation and workmanship to our reasonable satisfaction. In addition, you will provide all customers with the Product Warranty, as well as the Workmanship Warranty. You must disclose to all customers any and all product warranty information provided by suppliers and manufacturers of all products sold and/or installed by you.

5. We have the right, but not the obligation, to respond to and settle or otherwise resolve any warranty claims, to manage all disputes and to control all arbitration and litigation (including any settlement or other resolution) relating to warranty claims as we deem appropriate. However, you must reimburse us for all fees, costs, and expenses that we incur in connection with such warranty claims, disputes, arbitration, and litigation within 30 days of your receipt of our invoice.

Showroom Build-Out and Lease

You must, at your expense, construct, convert, design and decorate the showroom in accordance with our plans and specifications. We require that you obtain our written consent to any improvements to the showroom premises before construction begins. You must provide to us any lease or sublease (the "**Lease**") for a showroom. Our approval of any lease is conditioned upon inclusion in the lease of the "Lease Rider," attached to the Franchise Agreement. We are not responsible for review of the lease for any terms other than those contained in the Lease Rider. You are responsible for obtaining the landlord's consent to these provisions. Our review of a location for the showroom does not guarantee or imply that the location will be successful. Any standards and specifications for the build-out or lease of your office or warehouse are described in the Manuals.

Site Selection

If at the time you enter into the Franchise Agreement you do not have a showroom location that is approved by us at that time, you must sign the Site Selection Addendum attached to the Franchise Agreement. Under the terms of the Site Selection Addendum, you will have 60 days from the date of signing the Franchise Agreement within which to lease or acquire an approved site for the showroom and six months from executing the lease or purchase agreement for the approved showroom location to complete the build out

of the showroom in accordance with our specifications. We reserve the right to require that you submit to us, in the form we specify, various site approval forms and data that we may specify, which may include a copy of the site plan, financial information, and any other materials or information that we may require, together with an option contract, letter of intent, term sheet, or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We will have 10 days following receipt of complete submittal of all the information and materials we request from you to approve or disapprove the proposed site for your showroom. If we do not disapprove a proposed site by written notice to you within this 10-day period, the site will be deemed approved. You must commence operating the Franchised Business from the showroom, or in other words, have your Grand Opening, within eight months after you sign the Franchise Agreement. You must not relocate the showroom without our prior written consent. You are not required to secure approval for the location or layout of your warehouse or office space. However, you are required to have functional warehouse and office space prior to your Soft Opening. If you fail to lease or acquire a site for your office, warehouse and/or showroom within the relevant timeframe, we may terminate the Franchise Agreement.

Vehicles

You must acquire (by purchase or lease) and use in connection with the operation of the Franchised Business such number of vehicles as reasonably anticipated to meet customer demand (the "**Vehicles**"). The Vehicles must (i) be of such make, model, and white in color (ii) be equipped in such manner, and (iii) bear such signage and Marks as we may prescribe, in such manner as we may prescribe, as indicated by us in the Manual or otherwise in writing. You must at all times maintain all Vehicles in a clean and safe condition and repair, and in no event less than the manufacturer's recommended maintenance. You must ensure that all Vehicles are fully licensed and operated by a driver validly licensed to operate such Vehicles. You must use the Vehicles solely for the operation of the Franchised Business and refrain from permitting the use of the Vehicles for any other purpose or activity at any time. All Vehicles used in the connection with the operation of the Franchised Business and operators of the Vehicles must be commercially insured in accordance with state and local insurance regulations.

Prior to conducting a sales appointment or installing a job, any Vehicle used for that purpose that will be driven to the customer's home must be wrapped in approved graphics that display the Re-Bath® mark. We may require you to use our preferred vendor for these wraps.

Computer System, Software and Other Technology

You must purchase a Computer System that meets our specifications. We have the right to specify or require that certain brands, types, makes, and/or models of technology systems, services, platforms, communications, computer systems, hardware, and software be used by, between, or among Re-Bath Businesses and us, and/or obtained from an approved or required supplier we designate, which may be us or our affiliate, including but not limited to: (a) back office and point-of-sale systems, software, and platform (including the POS System), customer relationship management ("**CRM**") systems, learning management software ("**LMS**") application, accounting systems and software, sales and financial information reporting software, expense reporting and invoice collection software, sales presentation software, sales enable tools, franchise management applications, e-commerce software, business software, digital mapping applications, business intelligence software, talent management software, reporting and data exchange systems, data, audio, video, and voice storage, retrieval, and transmission systems for use by the Franchised Business, between or among Re-Bath Businesses, and between and among the Franchised Business and us and/or you; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) e-mail systems, including an email address; (f) reputational software; (g) regulatory or permitting software to ensure compliance with laws or the requirements of our National Accounts; (h) Internet access mode and speed; (i) intranet; (j) online ordering

system; and (k) Other Required Software (collectively, the "**Computer System**"). We may update the Computer System and software requirements from time to time in the Manuals.

We are currently the only approved supplier for several required software or technology platforms. We currently charge a monthly Technology Fee (described in Item 6) for access to and/or use of technology systems, services, platforms, and software that we require you to obtain or access from or through us or a third-party provider through a sub-license through us, as we deem necessary and advisable in our sole determination, which may include, but is not limited to licenses, subscriptions, development, maintenance, and/or access to point-of-sale system, software, and platform, intranet, online ordering system, an email address, Other Required Software (pre-loaded or standalone computer software programs and accounting system software that you must use in connection with the Computer System), and/or any aspects of the Computer System or POS System we designate, as well as reasonable labor and overhead costs and margin for us to service, maintain, and administer the technology. Your access to any software and/or program or other aspect of the Computer System we require you to obtain from or through us may be included in your monthly Technology Fee. In addition, though not currently covered by the Technology Fee, we currently provide franchisees with access to some additional required software or technology platforms for which we do not currently impose any additional or separate fee.

We reserve the right to require that you purchase additional hardware and software meeting our minimum specifications from a supplier we designate, which may be us or our affiliate, including any proprietary or customized software that we may develop or have developed on our behalf. We may require you to use or not to use computer systems, software, hardware, and other technology to ensure, verify, or otherwise confirm your compliance with laws and good business practice.

Advertising and Marketing

All marketing and promotion of your Franchised Business must conform to our standards and specifications. You must use advertising and promotional materials that are provided by us or, if not provided by us, that are approved by us in writing in advance. In some cases (such as your website, television, signage, and vehicle graphics) we only permit you to use advertising materials that we provide either directly or through a designated vendor. You must submit to us samples of all advertising and promotional materials you want to use which have not been prepared or previously approved by us. Your Franchised Business must participate in promotions and public relations campaigns (for example, contributions to charitable events) we institute from time to time for all Franchised Businesses, or for all Franchised Businesses within a particular geographic area. You must also participate in customer service, community service programs, product promotions, customer loyalty, gift card and other promotional programs, that we may reasonably determine are needed in your particular Franchised Business. We retain the right to develop and control all Websites. All Franchised Businesses, including any owned by us, must participate in these programs or other promotions that we may adopt in the future, provided that you will not be required to spend more than your Minimum Local Advertising Requirement obligation on such programs.

We and our affiliates or designees may control and direct certain centralized services, in which we may charge you a fee ("**Managed Services**") intended to benefit the System, promote the Marks and/or insure consistency across the System and for any individual franchised business (including your Franchised Business) and/or the entire network of Re-Bath Businesses, including but not limited to Marketing Media Services, customer sales cycle programs and presentations, training, technology, customer service or other centralized services as we deem appropriate from time to time and at our option. We and our affiliates or designees currently control and direct all marketing programs or services that are intended to promote the Marks, the System, any individual franchised business (including your Franchised Business), and/or the entire network of Re-Bath Businesses, including the concepts, materials and media used in such marketing

programs or services, and the placement and allocation thereof, on your behalf for a fee ("Marketing Media Services"). We currently offer required Marketing Media Services regarding Digital Marketing Services and Broadcast Marketing Services, but we may offer additional services in the future. These services are currently provided by us, though we anticipate that our affiliate, HBG Services, will begin providing these services in 2026 or 2027. We or our affiliate charge a Managed Services fee (described in Item 6), which currently encompasses the fees and costs for Marketing Media Services as outlined below. We may expand the optional or required Managed Services offerings in the future. The Managed Services fee may be adjusted periodically based on increases in service costs and/or if we or our affiliate offer updated, additional, different services.

Credit Cards

You must accept credit cards to facilitate sales. Credit cards accepted include Visa, MasterCard, Discover and American Express. You must also accept debit cards unless accepting debit cards requires a separate credit card processing terminal or an additional expense.

* * *

Except as described in this Item 8, you are not obligated to purchase or lease any other goods, services, products, or materials in accordance with specifications from us or from designated sources. We do not provide any material benefits to you (such as preferential renewal rights or granting additional franchises) based on your use of designated or approved suppliers except as stated herein.

There are currently no purchasing or distribution cooperatives in the System.

We estimate that the costs of your purchases from designated or approved sources, or according to our standards and specifications, will range from 70% to 90% of the total cost of establishing your Franchised Business and approximately 70% to 90% of the total cost of operating your Franchised Business after that time. None of our officers own any interest in an approved or designated supplier, except our Chief Executive Officer Brad Hillier has ownership interests in Agile and us.

## 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(s) in Franchise Agreement | Disclosure Document Item(s) |
|---|---|---|---|
| a. | Site selection and acquisition/lease | Sections 1.1, 5.2.5, 5.8, 15.4, Ex. A-2, Ex. B & Ex. F | 8 & 11 |
| b. | Pre-opening purchases/leases | Sections 5.2, 5.3, 5.4 & 5.5 | 5, 6 & 7, 8 |
| c. | Site development and other pre-opening requirements | Sections 5.1, 5.2, 5.3 & 5.4 | 7 & 11 |
| d. | Initial and ongoing training | Sections 3.1, 5.5, 5.6, 5.7 & 5.12 | 5, 6, 7, 11 & 15 |

| Obligation | | Section(s) in Franchise Agreement | Disclosure Document Item(s) |
|---|---|---|---|
| e. | Opening | Sections 3.1, 3.3, 5.3 & 5.4 | 11 |
| f. | Fees | Sections 4, 5.6, 10 & Ex. A-1 | 5, 6, 7, 8 & 11 |
| g. | Compliance with standards and policies/Manual | Sections 3.2, 5.1, 6 & 7 | 1, 7, 8, 11, 14 & 16 |
| h. | Trademarks and proprietary information | Sections 6, 7, 8, 15.2 & 15.5 | 13 & 14 |
| i. | Restrictions on products/services offered | Sections 1.8, 5.13 & 5.14 | 1, 7, 8 & 16 |
| j. | Warranty and customer service requirements | Sections 5.16, 5.18 & 5.19 | 8 & 15 |
| k. | Territorial development and sales quotas | Sections 1.1, 1.2, 4.3, Ex. A-1 & Ex. A-2 | 12 |
| l. | Ongoing products/service purchases | Sections 5.13 & 5.14 | 1, 6, 7 & 8 |
| m. | Maintenance, appearance and remodeling requirements | Sections 5.8, 5.9, 5.10 & 5.11 | 7, 8 & 11 |
| n. | Insurance | Section 12 | 7 & 8 |
| o. | Advertising | Sections 1.7, 10 & Ex. A-1 | 6, 7, 8, 11 & 18 |
| p. | Indemnification | Section 18.4 | 6 |
| q. | Owner's participation/ management/staffing | Sections 5.12 & 5.28 | 11 & 15 |
| r. | Records/reports | Sections 4.4 & 9 | 6 & 11 |
| s. | Inspections/audits | Sections 5.17, 9.3 & 9.4 | 6 |
| t. | Transfer | Section 13 | 6 & 17 |
| u. | Renewal | Section 2.2 | 6 & 17 |
| v. | Post-termination obligations | Sections 8.1, 9.1, 9.5, 15, 23.6, Ex. F & Ex. G | 15 & 17 |
| w. | Non-Competition covenants | Section 15 & Ex. G | 15 & 17 |
| x. | Dispute resolution | Section 24 | 17 |

## ITEM 10
## FINANCING

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

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

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

Before you open the Franchised Business, we (or our designee) will:

1. Designate the Protected Territory. (Franchise Agreement, Section 1.2).

2. Provide you with criteria for an acceptable showroom location and display. (Franchise Agreement, Exhibit B).

3. Provide you guidance on the exterior and interior design and fixtures, furnishings, equipment and signs of the Franchised Business. (Franchise Agreement, Section 3.2).

4. Provide training as described below in this Item 11. (Franchise Agreement, Sections 3.1 and 5.5)

5. Loan you 1 electronic copy of our confidential Manual (Franchise Agreement, Section 3.4). Because we provide you with electronic access to the Manual as a series of electronic pages that may vary in size and number depending on the settings of your computer, the number of "pages" in the Manual may vary. However, if printed, the Manual currently consists of at least 1,400 pages. A list of the topics contained in our Manual is attached to this Disclosure Document as Exhibit D.

6. Provide you with such guidance as we deem advisable in formulating your opening orders for inventory and supplies and in organizing the Franchised Business. We will provide any additional on-site pre-opening and opening supervision and assistance as we deem advisable. (Franchise Agreement, Section 3.3).

7. Offer to you, or arrange for our affiliate to offer to you, those required and approved products we or our affiliates manufacture and sell. (Franchise Agreement, Section 3.5).

During the operation of the Franchised Business, we will:

1. Make available additional training programs, as we deem appropriate. (Franchise Agreement, Sections 3.1 and 5.5).

2. Conduct, as we deem advisable, periodic inspections of the Franchised Business, including all Vehicles, and may evaluate the products sold and services rendered by the Franchised Business. (Franchise Agreement, Section 3.9).

3. Provide periodic assistance in the marketing, management, and operation of the Franchised Business, in the times and in the manner that we determine. (Franchise Agreement, Section 3.10)

4. Establish and administer a system-wide marketing, promotional and advertising fund (the "Advertising Fund") as described below in this Item 11. (Franchise Agreement, Sections 10.1 and 10.2). The Advertising Fund is currently operational.

5. Provide you with updates to the Manual and training programs. (Franchise Agreement, Section 7.1).

6. Provide you with guidelines on pricing policies. Subject to applicable law, we may implement a resale pricing program, which may include mandatory resale prices for curated and pre-designed product and service offerings, subject to an adjustment allowance, where permissible by state law, enabling you to modify the price by a factor of ten percent (10%), greater or lesser, corresponding to whether the average household income in your Protected Territory is greater or lesser than the United States Average household income for the same or similar size territory. Where we have not imposed mandatory resale prices for certain products or service offerings, you have the right to sell products and services at any prices you may determine. If you violate our pricing program three or

more times in any rolling 12-month period, we may, at our sole option, increase your Royalty Fee to eight percent (8%) of Gross Sales. We may terminate any pricing program at any time. (Franchise Agreement, Section 5.25 and Exhibit A-1).

Showroom, Warehouse and Office Space

To operate your Franchised Business, you must have warehouse, office and showroom space. When you complete a sale and order product for a job, you will also need a warehouse to receive, inspect, store and stage the product. You also need to provide office space for your employees to safely work. Additionally, you must operate a showroom that displays products and allows customers to design their bathroom. The warehouse, office and showroom spaces may all be located together or they may be at different locations, as long as the showroom location is approved in advance and the showroom is built according to the specifications set forth in the Manual.

The location of your showroom must be within the Protected Territory and must be approved in writing by us in advance. We provide our showroom location guidelines in the Manual. Generally, the showroom should be located within the major metropolis in your territory. It must have customer-friendly access and the ability to display signage visible from the street. In deciding whether to approve a proposed site, we consider such things as the visibility of the site, the traffic patterns near the site, the demographics of the population around the site, and other factors. If we and you are unable to agree on an approved showroom location, we may terminate the Franchise Agreement.

The showroom must be a dedicated space that reflects our brand standards and the requirements under the Franchise Agreement, and it must be located in space zoned as flex or retail space with other consumer-facing businesses around it. Additionally, it must have a minimum of 1,000 square feet of showroom space. When you build out the showroom, it must be in accordance with the specifications in our Manual, which may address items such as showroom layout and design, signage, and product display. Currently, you are required to display certain products in the showroom and are prohibited from displaying others as set forth in our Manual.

If at the time you enter into the Franchise Agreement you do not have a showroom location that is approved by us, you must sign the Site Selection Addendum attached to the Franchise Agreement. Under the terms of the Site Selection Addendum, you will have 60 days within which to lease or acquire an approved site for the showroom and five months from the date of signing of the lease or acquiring the approved site to complete the build out of the showroom to our specifications. We will have 10 days following receipt of complete submittal of all the information and materials we request from you to approve or disapprove the proposed site for your showroom. If we do not disapprove a proposed site by written notice to you within this 10-day period, the site will be deemed approved. Additional information regarding the Site Selection Addendum is included in Item 8. While you are not required to obtain our approval for the location of your warehouse and office space, you must have functional warehouse and office space prior to the Soft Opening. If you fail to lease or acquire a site for your office, warehouse and/or showroom within the relevant timeframe, we may terminate the Franchise Agreement.

The Franchised Business is considered to be "open" when you have begun to respond to leads and set sales appointments. We refer to this as the "Soft Opening." You may not "soft open" the Franchised Business until you obtained our written approval. In order to approve a Soft Opening, at a minimum you must have completed all required initial training programs and made substantial progress on the completion of your showroom. You must also have operational office and warehouse space before you open for business. You are not required to operate the Franchised Business from your approved showroom space on the date that you first open the Franchised Business. However, on or before the eighth-month anniversary date of your Franchise Agreement, you must open and operate from a completed showroom (the "Grand Opening").

We may, at our option, make available to you, in the Manual or otherwise in writing, advice on the exterior and interior design and fixtures, furnishings, equipment, and signs. We will provide you with the names of preferred vendors, which are approved suppliers of equipment, signs, fixtures, opening inventory, and/or supplies. We may provide specifications directly to such suppliers. These specifications are general guidance only and not specific to your location(s), and will not contain the requirements of any federal, state or local law, code or regulation (including those concerning the Americans with Disabilities Act (the "**ADA**") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor will these specifications contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build or renovate a specific premises, compliance with all of which will be your responsibility and at your expense. You must adapt, at your expense, the standard specifications to your location(s), subject to our approval. We have the right to modify the specifications as we deem appropriate from time to time. (Franchise Agreement, Section 3.2) We do not deliver or install equipment, signs, fixtures, opening inventory, and/or supplies to you.

Vehicles

Prior to conducting a sales appointment or installing a job, any Vehicle used for that purpose that will be driven to the customer's home must meet our specifications including color, make and model and be wrapped in approved graphics that display the Re-Bath® mark. We may require you to use our preferred vendor partner for these vehicle wraps. We may also specify other Vehicle requirements from time to time in the Manual.

Advertising and Promotion

We provide you marketing guidance and a comprehensive suite of marketing materials across marketing tactics. You must use advertising and promotional materials that are provided by us or, if not provided by us, that are approved by us in writing in advance. In some cases (such as your website, signage and vehicle graphics) we only permit you to use advertising materials that we provide either directly or through a designated vendor. You must submit to us samples of all advertising and promotional materials you want to use which have not been prepared or previously approved by us. At a minimum, all advertising and promotional materials must comply with our Branding Guidelines and other requirements set forth in the Manual to maintain a consistent and strong brand.

Currently we provide the following materials at no cost to you:

1. Print advertising templates that can be customized for your franchise location and offers;

2. Digital web banners that can be customized for your franchise locations and offers;

3. TV advertisements that can be tagged for your franchise;

4. Integrated online review and customer satisfaction surveys;

5. Automated Drip email campaigns connected to our CRM;

6. Social media creation, platforms and postings for Facebook and Instagram;

7. Free rental program for home show booths and supporting materials; and

8. Access to our ReBath MarketPortal where you can purchase pre-approved collateral such as branded apparel, business stationary, door hangers, lawn signs and giveaways.

You are responsible for the cost of placing TV, digital, or radio media buys and placing print advertisements. However, while there is no cost to you to acquire the print, collateral and digital templates from us, there are minimal costs associated with customizing these templates with your own tracking phone numbers and offers.

We provide you free of charge a customizable local microsite within our national website that you must use to advertise your business online. Your microsite is managed by our preferred digital vendor who assigns an account manager to you. The account manager monitors your microsite's data and trends and consults with you periodically to track and improve performance. You are required to include a pay-per-click program for your microsite at your own cost as set forth in the Manual, which typically ranges from $3,000 to $20,000 per month and which counts toward your Minimum Local Advertising Requirement (see below).

We and our affiliates have no obligation to spend any amount on advertising in your Protected Territory or in an area where a franchisee is located, except in connection with Managed Services as described below.

We and our affiliates or designees may control and direct certain centralized services, in which we may charge you a fee ("**Managed Services**") intended to benefit the System, promote the Marks and/or insure consistency across the System and for any individual franchised business (including your Franchised Business) and/or the entire network of Re-Bath Businesses, including but not limited to Marketing Media Services, customer sales cycle programs and presentations, training, technology, customer service or other centralized services as we deem appropriate from time to time and at our option. These services are currently provided by us, though we anticipate that our affiliate, HBG Services, will begin providing these services in 2026 or 2027.

When you sign your Franchise Agreement, you must execute our then-current form of media services addendum or agreement. To the extent we are providing Marketing Media Services as of the effective date of your Franchise Agreement, you must execute our then-current Media Services Addendum, the current form of which is Exhibit H-1 to the Franchise Agreement. To the extent HBG Services has begun providing Marketing Media Services as of the effective date of your Franchise Agreement, you must execute the then-current Media Services Agreement, the current form of which is Exhibit H-2 to the Franchise Agreement. If you execute a Media Services Addendum, we may require to you to execute a Media Services Agreement after HBG Services begins providing Marketing Media Services.

We or our affiliate charge a Managed Services fee, which currently encompasses the fees and costs for Marketing Media Services as outlined below. We may expand the optional or required Managed Services offerings in the future. The Managed Services fee may be adjusted periodically based on increases in service costs and/or if we or our affiliate offer updated, additional, different services.

We and our affiliates or designees currently control and direct all marketing programs or services that are intended to promote the Marks, the System, any individual franchised business (including your Franchised Business), and/or the entire network of Re-Bath Businesses, including the concepts, materials and media used in such marketing programs or services, and the placement and allocation thereof, on your behalf for a fee ("**Marketing Media Services**"). We currently offer required Marketing Media Services regarding Digital Marketing Services and Broadcast Marketing Services, but we may offer additional services in the future. If we require you to, or you elect to, use us (or our affiliates or designees) for one or more Marketing Media Services, you must pay our then-current fees as set forth below:

The current monthly fees for Digital Marketing Services are tied to the amount of your monthly digital media spend that we or our affiliate place on your behalf as set forth below:

| Monthly Digital Media Spend | | Monthly Digital Marketing Fee |
|---|---|---|
| ≤$5,000 monthly media spend | = | $900 per month |
| $5,000.01 - $10,000 | = | 15% of spend |
| $10,000.01 - $15,000 | = | 12.5% of spend |
| $15,000.01 - $30,000 | = | 10% of spend |
| $30,000.01+ | = | 7.5% of spend |

The current monthly fees for Broadcast Marketing Services are tied to the amount of your monthly broadcast media spend that we or our affiliate place on your behalf as set forth below:

| Monthly Broadcast Media Spend* | | Monthly Broadcast Marketing Fee |
|---|---|---|
| ≤$10,000 monthly spend | = | 10% of spend |
| $10,000.01 - $40,000 | = | 7.5% of spend |
| $40,000.01+ | = | 5% of spend |

* Table 2 - Cancellation fee: one-time payment equal to 5% of monthly spend.

You must comply with the requirements for use of social media as specified in the Manual. You are currently required to have a Facebook business profile for each major metro market in your territory. We must be identified as the owner of the account, but you may have administrative and advertising roles as applicable.

Each calendar quarter you are required to spend a minimum amount on advertising. We refer to this as the "**Minimum Local Advertising Requirement**." The minimum amounts you are required to spend each calendar quarter are as follows:

| Year* | Minimum Local Advertising Requirement |
|---|---|
| 1 | $.05 per Person* |
| 2 | Greater of $0.10 per Person or 10% of Prior Calendar Quarter's Gross Sales |
| 3 and beyond | Greater of $.15 per Person or 10% of Prior Calendar Quarter's Gross Sales |

*"Person" and "Year" are defined in Item 6. The per Person amounts set forth above are subject to any permitted CPI adjustment increases. In addition, we may adjust the amount of the Minimum Local Advertising Requirement upon 30 days' prior notice, provided the Minimum Local Advertising Requirement will not exceed 12% of Gross Sales and the combined total of the Minimum Local Advertising Requirement and Advertising Contribution will not exceed 15% of Gross Sales.

These are the direct costs to you of producing and purchasing placements or media buys of marketing materials. We currently require you to submit a marketing plan for the next year that meets the Minimum Local Advertising Requirement to our marketing department for approval. You must have an approved marketing plan by the dates set forth in the Manual or otherwise in writing from us. Because the purpose of the Minimum Local Advertising Requirement is to grow our brand and organic leads, any amounts spent in connection with co-branded National Accounts will only count for up to 10% of your total Minimum Local Advertising Requirement, as determined by us. You must provide to us on a monthly basis and/or as otherwise requested by us, through Concur or such other software or method as we may prescribe, records and reports reflecting your Minimum Local Advertising Requirement spend for the preceding

calendar quarter(s) of any given Year and must meet the Minimum Local Advertising Requirement for each calendar quarter.

All franchisees contribute to one of three funds that we have established and that we maintain, direct, and administer: the Advertising Fund, Brand Fund, or Media Fund. Which of the three funds a franchisee contributes to depends on which version of the franchise agreement the particular franchisee executed or if Franchisee has elected through subsequent amendment to convert their contribution to the Advertising Fund. Franchisees who contribute to the Advertising Fund do not contribute to the Brand Fund or Media Fund, while franchisees who contribute to the Brand Fund or Media Fund do not contribute to the Advertising Fund.

We have established an Advertising Fund that is maintained, directed, and administered by us, which is the fund you must contribute to. All franchisees who contribute to the Advertising Fund do so at the same rate, subject to the same Minimum Advertising Contribution schedule. Commencing in the third month after the Effective Date of your Franchise Agreement, you are required to contribute to the Advertising Fund as set forth in Item 6 ("**Advertising Contribution**"), either 2% of your Gross Sales or the Minimum Advertising Contribution set forth in the following chart (subject to any permitted CPI adjustment increases) for the applicable week, whichever is greater:

| Year* | Minimum Advertising Contribution |
|---|---|
| 1 | $75/week |
| 2 | $175/week |
| 3 | $350/week |
| 4 and beyond | $400/week |

We may adjust the required amount of your Advertising Contribution at any time upon 30 days' prior written notice to you, provided the required Advertising Contribution will not exceed 6% of Gross Sales and the combined total of the Advertising Contribution and Minimum Local Advertising Requirement will not exceed 15% of Gross Sales.

The Advertising Fund is owned and managed by us. Advertising Contributions will not count toward the Minimum Local Advertising Requirement.

The Advertising Fund is intended to maximize general public recognition, acceptance, and use of the System; and we and our designee are not obligated, in administering the Advertising Fund, to make expenditures for you which are equivalent or proportionate to your contribution, to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Advertising Fund, or to expend any particular amount of money in any franchisee's Protected Territory.

We or a designee will have the right to direct all advertising programs and consumer satisfaction programs, as well as all aspects of the advertising program and consumer satisfaction program, including the concept, materials, and media used in the programs and the placement and allocation of the programs. The Advertising Fund, and all contributions to and earnings from the Advertising Fund, will be used only (except as otherwise provided below) to meet any and all costs of maintaining, administering, directing, conducting, creating, and/or otherwise preparing advertising, marketing, public relations and promotional programs and materials, and any other activities that we believe will enhance the image of the System. This includes, among other things, the costs of preparing and/or conducting media advertising campaigns, social media campaigns, direct mail advertising, marketing surveys and other public relations activities; product development and market testing; brand research and development; developing and hosting marketing, brand enhancement, and customer engagement seminars for franchisees; employing advertising and/or public

relations agencies; developing new or modified trade dress and marks; point-of-purchase (POP) materials; design and photographs; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs and consumer satisfaction programs; market research and customer satisfaction surveys; developing and implementing customer retention programs; the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or non-profit events; developing and maintaining our Website (defined below); developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing 1 or more websites devoted to the System, the Marks and/or the "ReBath" brand; and providing promotional and other marketing materials and services to the Franchised Businesses operated under the System. The Advertising Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by us, which products, services, or improvements we will have the right to determine, that we believe will promote general public awareness and favorable support for the System. We will have the sole right to decide how the Advertising Fund creates, places, and pays for marketing. Media coverage may be national, regional, or local, and may be prepared by us in-house or by an advertising agency.

We will have the right to charge the Advertising Fund for the reasonable administrative costs and overhead that we incur in activities reasonably related to the direction and implementation of the Advertising Fund and marketing programs for you and the System (for example, costs of personnel for creating and implementing, associated overhead, advertising, merchandising, promotional and marketing programs, and accounting services reasonably related to the operation and functions of the Advertising Fund). The Advertising Fund and its earnings will not otherwise inure to our benefit or be used to solicit the sale of franchises. We or our designee will maintain separate bookkeeping accounts for the Advertising Fund.

The Advertising Fund is not and will not be used for our ordinary operating expenses, and it is not a trust. We do not assume any fiduciary obligation to you or any other franchisee for maintaining, directing, or administering the Advertising Fund or for any other reason. A statement of the operations of the Advertising Fund as shown on the books of the Fund will be prepared annually and will be made available to you on an annual basis, upon your prior written request. This annual statement is not required to be audited, but we may choose to provide an audited statement.

Although the Advertising Fund is intended to be of perpetual duration, we maintain the right to terminate the Advertising Fund. The Advertising Fund will not be terminated, however, until all monies in the Advertising Fund have been spent for marketing or promotional purposes. We may spend less or more than the aggregate contributions from franchisees to the Advertising Fund in any given year, and we may "roll over" any surplus funds from year to year.

In our last fiscal year ending on December 31, 2025, 4.6% of the money spent from the Advertising Fund was related to web marketing, 0.6% was related to broadcast, 4.9% was related to national support, 2.4% was related to community outreach, 45.6% was contributed to the Media Fund, 27.0% was contributed to the Brand Fund, and remaining 14.9% covered operational and administrative costs (specifically including marketing salaries and wages (14.2%), professional fees (0.5%), and other marketing (0.2%)).

No portion of the Advertising Fund is used for marketing that is principally a solicitation for the sale of franchises. We do not currently have an advertising council with respect to the Advertising Fund. We have the right to form, change, dissolve, or merge any advertising council that may be formed with respect to the Advertising Fund. We do have an advisory council that has the right to vote on how Media Funds are used. As noted above, members of this council are franchisees who signed a legacy form of Franchise Agreement, and you are not eligible to participate in this advisory council.

Some franchisees make contributions to a separate media fund ("**Media Fund**") and/or separate brand fund ("**Brand Fund**"), which were established under legacy forms of the franchise agreement. Depending on their particular version of the franchise agreement and based on the definition(s) contained in the particular franchise agreement, some franchisees contribute to these funds as follows: 0.33% of gross sales to the Brand Fund (also known as National Branding Fund and/or System Branding Fund), subject to a monthly minimum contribution of $175 per month; 2% of installed sales to the Brand Fund, subject to a monthly minimum contribution; or (I) to the Brand Fund in an amount equal to the lesser of (a) (i) the greater of the population of the franchisee's territory multiplied by the franchisee's minimum installed sales requirement for the market size multiplied by 0.5%, or (ii) 0.5% of the franchisee's installed sales for the previous month, or (b) 1.5 multiplied by the franchisee's average monthly installed sales for all mature franchises multiplied by 0.5%, and (II) to the Media Fund in an amount equal to the lesser of (A) (i) the greater of franchisee's territory population multiplied by the minimum installed sales requirement for the market size multiplied by 1.5% or (ii) 1.5% of the franchisee's installed sales for the previous month, or (B) (w) the aggregate actual installed sales for all mature franchisees in such franchisee's territory category divided by the total population for all mature franchisees in such franchisee's territory category (x) multiplied by 2.0 (y) multiplied by the Territory population (z) multiplied by 1.5%. A "mature franchise" is a Franchised Business that has been operated by a franchisee for at least 36 consecutive months as of the last day of the calendar year being measured. Franchisees who contribute to the Media Fund and/or Brand Fund do not contribute to the Advertising Fund that you will contribute to. We have in the past made contributions to the Media Fund and Brand Fund, and may do so in the future at our option. You are not required to make any contributions to the Media Fund or Brand Fund; however, we may elect at our option to transfer funds from the Advertising Fund to the Media Fund or Brand Fund (though we will not transfer funds from the Media Fund or Brand Fund to the Advertising Fund).

During the 30 days leading up to your Grand Opening date, you must spend at least $25,000 on local advertising in connection with your Grand Opening. In addition, as discussed in Item 7, you may elect to conduct local advertising prior to your Soft Opening of the Franchised Business. Any amounts spent on local advertising campaigns prior to your Soft Opening and Grand Opening are in addition to your Minimum Local Advertising Requirement.

We have the right, in our discretion, to establish an Advertising Cooperative for the geographic area in which your Franchised Business is located (an "**Advertising Cooperative**"). We also have the right to change, dissolve, or merge any Advertising Cooperative. Advertising Cooperatives will be established, organized, and governed in the form and manner that we have approved in advance in accordance with the Franchise Agreement, and members of the cooperative will be permitted to provide non-binding input. The purpose of the Advertising Cooperative is to conduct marketing campaigns for all of the franchises located in that geographic area. We may require that you contribute up to 40% of your Minimum Local Advertising Requirement to an Advertising Cooperative. Currently, we do not have any operating Advertising Cooperatives.

If an Advertising Cooperative for your area was established before you began to operate the Franchised Business, then when you open the Franchised Business, you must immediately join that Advertising Cooperative. If an Advertising Cooperative for your area is established after you began to operate the Franchised Business, then you must join the new Advertising Cooperative within 30 days of when the Advertising Cooperative commences operations. You will not be required to be a member of more than one Advertising Cooperative for the Franchised Business. The following provisions will apply to each Advertising Cooperative (if and when organized):

Any disputes arising among or between you, other members of the Advertising Cooperative, and/or the Advertising Cooperative, will be resolved according to the rules and procedures set forth in the Advertising Cooperative's governing documents.

Advertising Cooperatives will not be required to prepare annual or periodic financial statements.

Advertising Cooperatives will be organized for the exclusive purpose of administering regional marketing programs and developing (subject to our approval) standardized promotional materials for use by the members in local advertising and promotion.

Advertising Cooperatives may not use marketing, promotional plans, or materials without our prior written approval, as described below.

You must submit your required contribution to the Advertising Cooperative at the same time as payments are required for royalties and the Advertising Contribution, together with the statements and reports that may be required by us or by the Advertising Cooperative, with our written approval. If we request in writing, you must submit your payments and reports for the Advertising Cooperative directly to us and we will distribute the money and reports to the Advertising Cooperative. If we incur administrative expenses in support of the Advertising Cooperative, these expenses may be paid to us from the funds of the Advertising Cooperative or from a portion of the Advertising Contribution that would be allocated to the Advertising Cooperative. As noted above, we may specify that a portion of your Advertising Contribution will be paid or allocated to the Advertising Cooperative. The specific amount of your contribution to the Advertising Cooperative will be determined by us. If you are required to contribute to an Advertising Cooperative, these contributions will be credited toward your Minimum Local Advertising Requirement.

Although, if established, an Advertising Cooperative is intended to be of perpetual duration, we maintain the right to terminate any Advertising Cooperative. An Advertising Cooperative will not be terminated, however, until all monies in that Advertising Cooperative have been expended for marketing or promotional purposes.

Computer System

We have the right to specify or require that certain brands, types, makes, and/or models of technology systems, services, platforms, communications, computer systems, hardware, and software be used by, between, or among Re-Bath Businesses and us including but not limited to: (a) back office and point-of-sale systems, software, and platform (including the POS System), customer relationship management ("**CRM**") systems, learning management software ("**LMS**") application, accounting systems and software, sales and financial information reporting software, expense reporting and invoice collection software, sales presentation software, sales enable tools, franchise management applications, e-commerce software, business software, digital mapping applications, business intelligence software, talent management software, reporting and data exchange systems, data, audio, video, and voice storage, retrieval, and transmission systems for use by the Franchised Business, between or among Re-Bath Businesses, and between and among the Franchised Business and us and/or you; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) e-mail systems, including an email address; (f) reputational software; (g) regulatory or permitting software to ensure compliance with laws or the requirements of our National Accounts; (h) Internet access mode and speed; (i) intranet; (j) online ordering system; and (k) Other Required Software (collectively, the "**Computer System**"). We may update the Computer System and software requirements from time to time in the Manuals.

The Computer System includes a computer, printer, digital camera, smartphone, high speed business class Internet service, and landline telephone with at least three separate lines and a voice message system. You must use a computer with adequate memory, speed, and storage to run the proprietary software we may develop from time to time. The total cost to purchase these aspects of the Computer System will range from $3,000-$7,500.

As part of the Computer System, we currently require you to install and/or set up access to the following software and/or programs:

QuickBooks is the accounting software that you must use. While QuickBooks has both a web-based and desktop version, we require that you use the web-based application ("Quickbooks Online Plus").

Qvinci is a software application that allows you to report sales and other financial information to us as required in the Franchise Agreement and Manual. You are required to install Qvinci and set it up for an automatic sync of information with our office as prescribed in the Manual.

i360 (RBDirect and RB Academy) is our customer relationship management ("CRM") software and current learning management software ("LMS") application, which is completely web-based. Therefore, any Windows or Mac based computer supported by Microsoft or Apple with appropriate internet access is acceptable. You are required to keep accurate and complete records of all leads, sales records and installation information received by your franchise in accordance with the specifications set forth in the Manual. We provide a variety of training types on a variety of subjects in our LMS application that you may be required to take or that may be recommended to you. RB Academy also houses the System Manual.

Concur Expense/Invoice is our web-based expense reporting and invoice collection platform that allows you to report your expenses and submit invoices related to your Minimum Local Advertising Requirement. You are required to use Concur Expense as part of the process to get marketing-related expenditures approved by us to count towards your Minimum Local Advertising Requirement.

Ingage is our sales presentation software that is both web and application based. You are required to use Ingage to launch our approved sales presentations in customers' homes.

Rilla Voice is an audio transcription and AI tool that captures and analyzes the sales script conversation in customers' homes. Rilla Voice is web and application based and you are required to use it as part of the sales presentation.

FranConnect is our franchise management application and one of our primary communication tools and it is also web-based.

Oro eCommerce is a web-based commerce platform that allows you to purchase all products and materials in one place.

Insight Software is a component of the e-commerce infrastructure for managing product data and integration.

Lokion is a service provider supporting API integrations to Oro, including PIM and Sage.

Dynamic Enterprise Technologies is a consultant that supports the e-commerce platform integration with Safe financial systems.

Microsoft Office 365 is a service that provides access to the latest versions of Microsoft's productivity software, including Word, Excel, PowerPoint, Outlook, Exclaimer Limited, IT1, New Value Solutions, ServiceNow, along with other services like business emails, collaboration tools, and advanced security options. Microsoft Office 365 is both web-based and application-based.

GbBis is a web-based digital mapping application that provides geographic and demographic information on Franchise Territories and markets.

Re-Bath Market is an online portal that allows you to request and/or purchase marketing materials.

Power BI is a cloud-based business intelligence and data visualization service that allows you to connect to various data sources, and transform raw data into interactive dashboards and reports, enabling you to make data-driven decisions.

Predictive Index is a web-based assessment tool that helps you in hiring, managing and developing talent, and may help optimize team dynamics, improve communication, and enhance overall performance.

In addition, MetroStudy is an optional platform that can provide you information, data, and reports related to your market, in addition to analytics related to housing and construction industries in markets across the United States.

We currently charge a monthly Technology Fee for access to and/or use of certain of the technology systems, services, platforms, and software that we require you to obtain or access from or through us or a third-party provider through a sub-license through us, as we deem necessary and advisable in our sole determination, which may include, but is not limited to licenses, subscriptions, development, maintenance, and/or access to point-of-sale system, software, and platform, intranet, online ordering system, an email address, Other Required Software (pre-loaded or standalone computer software programs and accounting system software that you must use in connection with the Computer System), and/or any aspects of the Computer System or POS System we designate, as well as reasonable labor and overhead costs and margin for us to service, maintain, and administer the technology. We reserve the right to include any or all of software and/or programs listed above within the list of technologies covered by the Technology Fee in the future. Your precise monthly Technology Fee may change if there are changes in any aspect of the computer system or in the technology systems, services, platforms, and software we require you to obtain or access through us, or in our costs regarding such technology systems, services, platforms, and software. We may make changes to the types, nature, and ultimate vendor of any aspect of the Computer System or any technology systems, services, platforms, and software we require you to obtain or access from or through us.

The Technology Fee is currently calculated based on the following components: (1) your territory population size, and (2) the number of your users of the Computer System and their respective roles. The territory component of the Technology Fee is currently $1 per month for every 1,000 people in your Protected Territory. The user rate component of the Technology Fee is currently as follows:

| **Department and Role** | **Monthly User Rate** |
|---|---|
| Marketing Manager | $106 |
| Marketing Staff | $106 |
| National Accounts Manager | $106 |
| National Accounts Staff | $12 |
| Office Management Manager | $213 |
| Office Management Staff | $120 |
| Production Manager | $124 |

| | |
|---|---|
| Production Staff | $46 |
| Sales Manager | $179 |
| Sales Staff | $73 |

We frequently communicate with you and your employees through email. We require you and your employees to obtain a "@rebath.com" email address from us, which is included in the monthly Technology Fee. In the future, we may require that you obtain an email address from a third-party vendor, for which you may be required to pay a fee. The email address must be used for all email communications that relate to the Franchised Business.

You must pay for all maintenance of your Computer System at your own expense. You may be required to utilize a hosted system in the future for ordering product or transferring data concerning sales. You will be responsible for ensuring that your computer has the appropriate memory, software, and functional capabilities to support a hosted system or vendor website.

We do not guarantee, warranty, maintain or support any computer hardware in any manner. You should determine for yourself whether or not any third party supplier from whom you purchase any component of your Computer System is obligated to provide ongoing maintenance, repairs, upgrades, or updates to any component of your Computer System, and determine the additional cost for the services. Our computer hardware and software requirements may periodically change, and you will be required to update your computer hardware and software periodically. We will advise you in writing of any required upgrades, which are subject to the limitations set forth below.

We have the right to independently (including remotely) access your computer, including your franchisee email and QuickBooks data. We may consult with you on problems you may be experiencing as well as download information to update your software. There are no contractual limits on our access to your computer information. The contractual limits on required upgrades are described below.

Remodeling and Upgrades

You must undertake periodic remodeling and upgrading of your showroom and Vehicles, including furniture, fixtures, equipment, décor, signage and trade dress, as we require in the Manual or otherwise in writing. Not sooner than 3 years, nor later than 5 years, after the date the Franchised Business opens for business, and again as a pre-condition to renewal, you must refurbish your showroom and Vehicle(s) at your expense to conform with the specifications set forth in the Manual at that time.

You will not be required to engage in remodel or upgrade of your showroom or vehicles more than once every 3 years during the term of the Franchise Agreement, and you will not be required to spend more than $25,000 for the remodeling or upgrades during any consecutive 2-year period; provided, however, that this dollar limitation may be increased during the initial term of this Agreement in accordance with any increase in the Consumer Price Index as set forth in the Franchise Agreement. In addition, we may require showroom remodeling or upgrades as a pre-condition to renewal. The limitation on the frequency or scope of showroom and Vehicle remodeling and upgrades does not include repair to, or the normal upkeep of, the premises of the showroom or Vehicles, nor does it include equipment upgrades (discussed below) or the costs to display new or modified products including modifications to the colors, textures, and finishes of products. You will have 6 months after receipt of our written notice to complete any required remodeling or upgrades.

You may also be required, from time to time, to upgrade and make other changes to the Computer System as we may request in writing. We have the right to require any equipment upgrades we deem necessary for your Franchised Business; provided, however, that we will not require equipment upgrades at a cumulative cost of more than $25,000 for equipment upgrades every 2 years.

Training Programs

Initial or Onboarding Training

The initial or onboarding training program is mandatory for each new franchisee (including resales of existing franchises). This training must be successfully completed to our satisfaction before you begin operations and open for business. The Operating Owner or the Manager (defined in Item 15 below) must attend this training. The number of individuals we will designate as required to complete the training will vary based upon your organizational structure and individual roles. This training may be hosted both remotely, at our corporate headquarters in Phoenix, Arizona, or other corporate facilities, and you are responsible for all travel-related expenses for the training. If you are a new franchisee (which does not include the purchase of transferred or re-sold franchises), we will not charge you a fee for a designated number of individuals to attend initial training program. If you purchased your franchise from an existing franchisee, for which you did not pay any initial franchise fee to us, we may require you to pay a training fee to us for your initial training of up to $2,500 per person.

Initial training is conducted intermittently during the period following execution of the Franchise Agreement and the opening of your franchise. The first training session usually begins within 30 days of signing the Franchise Agreement with the Operating Owner and/or Manager. In this training we assist you with your business plan, marketing plan and opening timeline (the "**Business Plan Training**"). The Business Plan Training will be conducted remotely via phone calls, email and screen shares, as needed. The charge for this Business Plan Training is included in your Initial Franchise Fee.

Typically, within 4-6 weeks prior to the opening of your franchise, you will participate in in-depth training on our sales program and tools ("**Sales Training**"). This training takes place both remotely and at our corporate facilities that we designate. The Operating Owner and/or Manager, along with the individual responsible for managing sales if they are different, may be required to participate in this training. Approximately two weeks prior to attending Sales Training, you will be assigned pre-work that includes memorization of our sales script. Following the conclusion of that pre-work, you will attend Sales Training for one week where you will participate in hands-on, live training including role play and training on various technologies related to sales presentations. The fees for System Training for two attendees are included in your Initial Franchise Fee. We may charge $650 for each additional management-level attendee you wish to send to Sales Training.

Typically, within 2-4 weeks prior to the opening of your franchise, you will participate in in-depth training on the installation of our product offering ("**Installation Training**"). This training takes place both remotely and at our corporate facilities. The Operating Owner and/or Manager, along with the individual responsible for managing installation if they are different, may be required to participate in this training. In the week prior to coming to Installation Training, you will be assigned pre-work that consists of watching videos and reviewing certain materials. Following the conclusion of that pre-work, you will come to Installation Training for two weeks where you will participate in hands-on installation training at our manufacturing facility. The fees for Installation Training for two attendees are included in your Initial Franchise Fee. We may charge $1,800 for each additional management-level attendee you wish to send to Installation Training.

Prior to the opening of your franchise, you will participate in in-depth training on how to train your employees that will be working in your franchise business ("**Trainer Training**"**)**. Trainer Training encompasses and includes all the required Business Plan Training, Sales Training, and Installation Training, along with other training that is specific to training your employees on our general system, standards, specifications, operations, and recommended training methods. A portion of the Trainer Training will be conducted electronically, using phone calls, email, screen shares, or other electronic interfaces, and a portion of the Trainer Training may be conducted at our headquarters in Phoenix, Arizona or other training facilities we designate. Your Operating Owner and at least one additional Manager must participate in, and complete to our satisfaction, the Trainer Training. In the week prior to Trainer Training, you will be assigned pre-work that consists of watching videos and reviewing certain materials. Following the completion of that pre-work, you will be tested on your knowledge of Business Plan Training, Sales Training, Installation Training, our general system and standards, and how to train the Re-Bath way. Attendees must score at or above an 80% to certified to provide training to employees. Your personnel who have completed the Trainer Training and been certified will be responsible for providing training to your other employees. The fees for Trainer Training for two attendees (your Operating Owner and one additional Manager) are included in your Initial Franchise Fee. We may charge $1,500 for any additional management level employee, you request to send to Trainer Training and that we approve to attend such training.

Finally, intermittently during the time following execution of the Franchise Agreement and the opening of your franchise, you will be trained on the other critical components of our System, which include, among other things, our marketing tools and programs, financial reporting, our CRM system and other software applications used to run your business ("**Additional System Training**'). This training may take place remotely via webinars, screen shares, and phone calls or may be conducted in person at headquarters in Phoenix, Arizona or other training facilities we designate. The Operating Owner and/or Manager may be required to participate in this training. The fees for Additional System Training are included in your Initial Franchise Fee.

You are responsible for travel-related and other expenses incurred by you and your employees to attend training in Phoenix, Arizona. All training fees are fully earned when received by us and are non-refundable.

Our current curriculum is shown in the tables below:

**INITIAL TRAINING PROGRAM(S)**

**TRAINER TRAINING**

| Subject | Classroom Hours* | On-The-Job Hours* | Location |
|---|---|---|---|
| General System and Standards | Up to 8 | 0 | Remotely |
| Training methods and "How to Train the Re-Bath way" | Up to 40 | 0 | Remotely |
| Business Plan Training (see below) | Up to 32 | 0 | Remotely |
| Sales Training (see below) | Up to 128 | 0 | Remotely |
| Installation Training (see below) | Up to 8 | Up to 72 | ReBath Training Facilities |
| **Total** | **Up to 216** | Up to 72 | |

**BUSINESS PLAN TRAINING (Standalone)**

| Subject | Classroom Hours* | On-The-Job Hours* | Location |
|---|---|---|---|
| General Business modeling and planning | Up to 8 | 0 | Remotely via webinars, screen shares, phone calls & email |
| Development of marketing plan | Up to 8 | 0 | |
| Opening tasks and timeline | Up to 8 | 0 | |
| General Q&A | Up to 8 | 0 | |
| **Total** | **Up to 32** | **0** | |

**SALES TRAINING (Standalone)**

| Subject | Classroom Hours* | On-The-Job Hours* | Location |
|---|---|---|---|
| Pre-work/study and memorization of sales script | Up to 80 | 0 | Remotely |
| Live training and role play | Up to 40 | Up to 5 | ReBath Corporate Offices or Training Facilities |
| Sales Technology Solutions (CRM System, Rilla, Ingage) | Up to 8 | Up to 10 | ReBath Corporate Offices or Training Facilities |
| **Total** | **Up to 128** | **Up to 15** | |

**INSTALLATION TRAINING (Standalone)**

| Subject | Classroom Hours* | On-The-Job Hours | Location |
|---|---|---|---|
| Product Knowledge and Soft Skills | Up to 8 | 0 | ReBath Corporate Offices or Training Facilities |
| Demolition and installation of acrylic products, flooring, cabinets, faucets, etc. | 0 | Up to 16 | ReBath Training Facilities |
| Demolition and installation of natural stone products, flooring, cabinets faucets, etc. | 0 | Up to 16 | ReBath Training Facilities |
| Installation of liners & use of repair kits | 0 | Up to 4 | ReBath Training Facilities |
| Installation of walk-in bathtubs and pony walls/caps | 0 | Up to 4 | ReBath Training Facilities |
| Installation of ceiling panels and pans | 0 | Up to 8 | ReBath Training Facilities |
| Miscellaneous issues | 0 | Up to 8 | ReBath Training Facilities |
| **Total** | **Up to 8** | **Up to 56** | |

**ADDITIONAL SYSTEM TRAINING**

| Subject | Classroom Hours* | On-The-Job Hours* | Location |
|---|---|---|---|
| Marketing | Up to 8 | 4 | ReBath Corporate Offices or ReBath Training Facilities or Remotely via webinars, screen shares, phone calls & email |
| National Accounts | Up to 10 | 5 | |
| Financial Reporting | Up to 2 | 1 | |
| Office Management & Software | Up to 8 | 7 | |
| Customer Service & Warranty | Up to 4 | 1 | |
| Production Management | Up to 12 | 8 | |
| Product Ordering and Preferred Vendors | 0 | 4 | |
| Additional RBDirect Training | Up to 8 | 0 | |
| **Total** | **Up to 40** | **30** | |

*Classroom hours includes webinars, screen shares, and self-study at home. On the job hours includes hands-on training at our corporate, training or manufacturing facility.

Our training program is managed and supervised by our Program Manager, Wendy Smith, with the rest of our Training and Development department. Mrs. Smith has been with Re-Bath for 10 years and has more than 30 years' experience in operations and training within the retail and hospitality industry. Other employees of us or our affiliates who have training experience or experience in the operation of ReBath businesses, products, or services may also assist in training. The training materials include our Manual, eLearning courses, and other written materials that will be provided through our learning management system ("LMS").

Our fee for providing Business Plan Training and Additional System Training is included in the Initial Franchise Fee. The fee for providing Sales Training for up to 2 people is included in the Initial Franchise Fee. There is a fee of $650 for each additional management-level attendee who attends Sales Training. The fee for providing Installation Training for up to 2 people is included in the Initial Franchise Fee. Therefore, we do not charge you for the first 2 attendees at Installation Training. There is a $1,800 fee for each additional management-level attendee who attends Installation Training.

Those individuals designated by us as required to complete any of the three initial training programs must successfully complete the training to our satisfaction before you begin operations.

You will be responsible for training all of your other employees, including installers and salespeople, in accordance with our standards and training programs. We may also require these additional employees to complete assigned and required training courses through our LMS application. If you fail to properly train your employees, we may require them to attend training at our headquarters for a reasonable training fee or pay a fee in addition to our costs and expenses to send one of our trainers to train them at your location.

Annual Certification Training

Each year we conduct Certification Training to make you aware of new programs and requirements we have launched or will soon launch. The individual responsible for managing the day-to-day operations of your business, whether the Operating Owner or Manager, is required to attend this training. The training may be held in Phoenix, Arizona or other locations in the United States designated by us. We charge a registration fee for this training (currently $250 per person), and you are responsible for all travel-related expenses.

Annual Owners' Retreat

Each year we hold an Annual Owners' Retreat at a place and on dates determined by us. The retreat may be hosted outside of the United States. At this retreat, we reflect on and celebrate the franchise network's past year's results, strategize and forecast the next year, and announce planned initiatives. It also provides an opportunity for you to meet and network with other franchisees and to share ideas and practices. At least one owner (of 20% or more of the franchise business) must attend the retreat. There is a registration fee that varies year to year (currently $1,100 per person), and you are responsible for all travel-related expenses.

Additional Training

We also provide online training on a variety of topics through our LMS system. Upon reasonable notice to you, we may require you or your designated personnel to complete assigned online training courses. We may also provide additional in-person training opportunities that are recommended but optional to attend.

You are solely responsible for all travel, meal, lodging, and payroll expenses associated with sending attendees to our training programs.

## ITEM 12
## TERRITORY

Protected Territory and Scope of Rights

During the term of the Franchise Agreement, we will grant you the right to offer and sell single-family residential bathroom remodeling services and related products and services identified by our Marks within a Protected Territory. You may not advertise, sell or install products or services to anything other than existing single-family residences without our prior written consent. You are prohibited from advertising, selling or installing products or services for new construction without our prior written consent.

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. So long as you are in compliance with the Franchise Agreement and subject to our reservation of rights described below in this Item 12, we and our affiliates will not: (a) operate or license others to operate a Franchised Business from a physical premise located within the Protected Territory, or (b) install products or provide services, or license others to install products or provide services, that are identified by the Marks at existing bathrooms in single-family residences that are located within the Protected Territory.

We, our affiliates, and successors, retain all other rights, and may without compensation to you: (a) offer, sell, and install any products, and provide any services, that are identified by any marks except the Marks, including products and services that are the same or similar to products and services offered, sold, and installed by the Franchised Business, within and outside of the Protected Territory; (b) offer, sell, and install any products and provide any services that are identified by any marks, including the Marks, at and to any facilities other than existing single-family residences, within and outside of the Protected Territory; and (c) advertise and promote the System and the Marks within and outside of the Protected Territory.

We reserve the right to offer and sell goods and services through other alternative channels of distribution, including the Internet, within the Protected Territory, under the Marks or under different trademarks, without compensation to you. You are not permitted to provide goods or services through other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, or make sales outside of the Protected Territory, except as described below.

Typically, your Protected Territory will consist of a population of between 750,000 and 1,250,000 people. However, we may offer larger or smaller Protected Territories and charge an Initial Franchise Fee that is adjusted accordingly. Your Protected Territory will be described by either county name (in which case your Protected Territory will consist of all standard zip codes wholly within the county borders, and for those zip codes that fall into more than one county such zip codes as are designated by our population data supplier as belonging to that county) or by U.S. Postal Service zip codes in your Franchise Agreement. The geographic size of your territory is designated by population and will be set forth in the Franchise Agreement. At our option, you may purchase multiple franchise units provided that you meet the capital requirements determined by us to simultaneously operate multiple units.

We negotiate agreements and/or manage programs with certain National Accounts to offer our franchisees' products and services to their customers. To participate in any given National Account program, you must meet the terms and conditions set by both us and the National Account for such participation and must sign the necessary contracts governing those programs. Both we and the National Account have the right to refuse your participation in the program at our or their option. In the event your participation is refused or terminated for any reason, or in the event you choose not to participate in any given program, we may grant others (including, but not limited to, other franchisees) the right to provide sales, installations, products and services with respect to that particular National Account in your Protected Territory. We or a National Account may charge you lead referral and/or administrative fees in return for National Account referrals. Although our current policy is to offer franchisees the opportunity to participate in National Accounts on a voluntary basis, we reserve the right, at our option at any time, to require franchisees to participate in some or all of our National Account programs and service National Accounts. We further reserve the right to modify, suspend, or discontinue our National Account program, and/or modify, suspend, or repeal our consent to allow a franchisee, or all franchisees, to service National Accounts. For any required National Account program, you must service all the National Account's stores within the Protected Territory unless we approve a different arrangement in writing.

In the future we may arrange other referral programs under which you pay fees to us or the referral source in return for leads in your Protected Territory. We will give you information about these programs as they are developed and you may decide whether to opt out of them. If you do not expressly opt out, you will be considered to have opted in.

Your showroom, warehouse and office must be located within your Protected Territory. You are required to obtain our prior written approval to relocate your showroom within your Protected Territory. We will approve relocation if the new site of the showroom is within the Protected Territory and meets our then-current guidelines for a new showroom location. You do not have any options, right of first refusal or similar rights to acquire additional franchises in contiguous or other territories.

Operations Outside of the Protected Territory

You are not permitted to engage in any marketing, install any products, or provide any services, at locations outside of the Protected Territory, unless you have obtained our prior written consent. Currently, you may request permission to engage in marketing, install products, or provide services, in territories known as "unowned territories" in accordance with the requirements, terms and conditions in the Manual. If we give you permission to engage in marketing, install products, or provide services in any unowned territory, we have the right to sell or assign such territory, or part of it, at any time, without prior notice to you. You will not have a right of first refusal or option to buy any unowned territory you formerly marketed in or worked.

Although we will not grant another Re-Bath franchise the right to engage in any marketing, install any products, or provide any services in your Protected Territory, except as permitted under a National Account program as described below, we do not promise that another franchisee will not violate his or her franchise

agreement and conduct business in your Protected Territory. If a franchisee does so, we may require the franchisee to immediately pay to us or, at our option, to you, liquidated damages equal to 50% of that franchisee's average ticket for installations, projects, or sales during the prior six months, provided we have the right to do so under the terms of that franchisee's agreement. If we require the franchisee to pay liquidated damages to you (or we remit to you liquidated damages paid by that the franchisee to us), that payment is your sole remedy against us and the other franchisee for that installation of products or provision of services. However, we have no obligation to seek liquidated damages.

If we establish a National Accounts program and you fail or refuse to participate or service any required National Accounts, in any manner and for whatever reason, your participation is refused or terminated for any reason, or we determine, in our sole discretion, that you will or may potentially fail to uphold the standards established for the National Accounts program, we, our affiliates, or other franchised businesses may install products or provide services, or license others to install products or provide services, within the Protected Territory.

Modifications to the Protected Territory

If you wish to expand your Protected Territory, your requested expansion must be approved by us and memorialized in a mutually-executed amendment to the Franchise Agreement. For any approved expansion, you must pay for the additional population acquired based on a pro rata share of the current rate we offer for the purchase of a new franchise.

If you default and we are entitled to terminate the Franchise Agreement, as an alternative to termination and at our option, we may modify or reduce the size of the Protected Territory, and/or we may modify your rights in the Protected Territory such that we can re-grant the Protected Territory at any time and/or require you to relocate your showroom. One basis for your default is failure to generate certain minimum annual Gross Sales each year in your Protected Territory ("**Minimum Annual Gross Sales"**). The Minimum Annual Gross Sales requirements are set forth below:

| Year* | Minimum Annual Gross Sales |
|---|---|
| 1 | $0.50 per Person* |
| 2 | $1.00 per Person |
| 3 | $1.50 per Person |

*"Person" and "Year" are defined in Item 6.

If you fail to meet the Minimum Annual Gross Sales, you may cure this default by paying to us the Minimum Annual Gross Sales Deficiency Fee described in Item 6. Failure to pay the Minimum Annual Gross Sales Deficiency Fee within 15 days of your receipt of our invoice may result in termination of your Franchise Agreement.

We otherwise may not modify the Protected Territory without your written approval.

Options; Rights of First Refusal

You do not have any options, rights of first refusal, or similar rights to acquire additional franchises.

## ITEM 13
## TRADEMARKS

We grant you the right in the Franchise Agreement to operate your Franchised Business under the Marks

described below:

| MARK | REGISTRATION OR APPLICATION DATE | REGISTRATION OR SERIAL NUMBER |
|---|---|---|
| RE.BATH | July 10, 1984 | 1285159 |
| DURABATH | April 29, 2008 | 3419748 |
| RE-BATH | June 23, 2015 | 4759237 |
| RE·BATH | June 23, 2015 | 4759238 |
| RE•BATH | June 23, 2015 | 4759234 |
| RE•BATH | June 23, 2015 | 4759235 |
| DURABATH | September 20, 2016 | 5046302 |
| SO MUCH TO LOVE | February 27, 2018 | 5414225 |
| RE·BATH | August 21, 2018 | 5544748 |
| REMOVE, REPLACE, REMODEL | December 23, 2025 | 8,078,674 |
| REMOVE, REPLACE, REMODEL | July 1, 2025 | 7852165 |
| WITH YOU EVERY STEP OF THE WAY | November 28, 2023 (Pending) | 98288374 (Pending) |
| REMODEL THE EFFORTLESS WAY | July 9, 2024 (Pending) | 98640208 (Pending) |
| FROM BATHROOM BLEAK TO BATHROOM CHIC | July 9, 2024 (Pending) | 98640210 (Pending) |
| MORE SAFETY, MORE STYLE | July 9, 2024 (Pending) | 98640212 (Pending) |
| BATHROOM UPDATE FOR YOUR FAMILY UPDATE | July 9, 2024 (Pending) | 98640214 (Pending) |

We do not have a federal registration for the trademarks listed above as pending. Therefore, the pending trademarks do not have the same legal benefits and rights as federally registered trademarks. If our right to use the trademarks listed above as pending is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All registered Marks are registered on the Principal Register of the United States Patent and Trademark Office ("**USPTO**"). We have filed all required affidavits. There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, involving these Marks. There is no action pending regarding these Marks other than examination by the USPTO of recently filed Marks in the ordinary course of prosecution, or of recently filed affidavits of use for registered Marks in the ordinary course of maintaining such registrations.

No agreements limit our rights to use or license the use of the Marks.

You must follow our rules when you use our Marks. These rules are set forth in the Manual, the RE-BATH® Brand Guidelines, and otherwise in writing. You may not use our Marks or name in the name of your business entity or to sell an unauthorized service or product or in any manner we have not authorized in writing.

You must promptly notify us of any unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Marks. We have the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, at our option, to take action against uses by others that may constitute infringement of the Marks.

If we undertake the defense, enforcement or prosecution of any litigation concerning the Marks, you must sign any documents and agree to do the things as may, in our counsel's opinion, be necessary to carry out that defense, enforcement or prosecution, such as becoming a nominal party to any legal action. Unless the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these things (although you will still be responsible for the salary costs of your employees) and we will bear the costs of any judgment or settlement. However, if the litigation results from your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, then you will have to reimburse us for the cost of the litigation, including attorneys' fees, as well as the cost of any judgment or settlement.

If we determine that you have not used the Marks in accordance with the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by you.

You must modify or discontinue the use of our Marks if we modify or discontinue them. You may not directly or indirectly contest our right to our Marks.

There are no superior prior rights or infringing uses actually known to us that could materially affect your use of the Marks.

## ITEM 14
## PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We or our affiliates have the following patents registered with the USPTO:

1. On March 5, 2014, patent number 9,090,049 issued for Method of Making Composite Stone Panels, and the patent is set to expire on August 21, 2033.
2. On March 27, 2012, patent number D656,594 was issued for the Old World Tuscan One-Piece Molded Panel, and the design patent is set to expire on March 27, 2026.

We do not own any other patent or any other registered copyrights that are relevant to the franchise.

Although we have not filed a copyright registration application for our current Manual, we claim a copyright in its works of authorship and other contents. The contents are confidential and proprietary. You may use the contents only as long as you are a franchise, and only as provided in the Franchise Agreement.

We are not obligated to take any action to protect or defend use of proprietary information, copyrighted materials, or patents, but will respond as we think appropriate and will control any action we decide to bring or defend. We are not required to participate in your defense or indemnify you for any claims regarding use of copyrighted material or patents, whether from use of our copyrighted materials or patents or from any third-party copyrighted materials or patents. We do not actually know of any infringing uses of our copyrights or patents that could materially affect your use of the copyrighted materials in any state and there are no agreements that limit our rights to use our copyrights or patents or to allow others to use them.

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

We grant franchises to both those who plan to actively participate in the direct operation and daily affairs of the Franchised Business, and those seeking a more passive investment. If you operate the Franchised Business yourself and you are a business entity, you must designate one owner of the business who owns at least 20% of the business to be responsible for the daily operations of the Franchised Business and to serve as our point of contact (the "**Operating Owner**"). If you do not operate the Franchised Business yourself, you must employ at least one manager on a full-time basis who will be responsible for daily operations and serve as our point of contact (the "**Manager**"). If the franchisee is a company, the Manager does not have to have an equity interest in the company. You must disclose the identity of the Manager to us, and should the Manager change, you must notify us in writing.

The Operating Owner or Manager must successfully complete our initial training program, devote his or her entire time during normal business hours to the management, operation, and development of the Franchised Business, maintain confidentiality of our confidential information, and conform to covenants not to compete.

If you are an individual, you and your spouse must sign the Franchise Agreement. If you are a business entity, anyone who has direct or indirect control of the entity or a direct or indirect beneficial interest in the entity, must sign the Guarantee, Indemnification and Acknowledgement in the form attached to the Franchise Agreement. In addition, we may require that your spouse also sign the Guarantee, Indemnification and Acknowledgement.

## ITEM 16
## RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer and sell from the Franchised Business only those goods and services that we have authorized you to sell. You must offer and sell all goods and services we require. We have the right to change the authorized and required goods and services without limitation. Unless we approve otherwise in writing, you may only provide goods and services with respect to single-family residential bathroom remodeling jobs within your Protected Territory. You must not actively solicit sales from customers in another franchisee's territory.

The showroom for the Franchised Business will be specified in the Franchise Agreement. You may not relocate the showroom without our prior written approval.

## ITEM 17
## RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

### THE FRANCHISE RELATIONSHIP

**The table lists important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.**

| **Provision** | | **Section in Franchise Agreement** | **Summary** |
|---|---|---|---|
| a. | Length of the franchise term | Section 2 | 10 years |

| Provision | | Section in Franchise Agreement | Summary |
|---|---|---|---|
| b. | Renewal or extension of the term | Section 2 | Two renewal terms of 5 years each, subject to execution of a renewal Franchise Agreement which may contain materially different terms and conditions than the original contract. |
| c. | Requirements for franchisee to renew or extend | Section 2 | Provide evidence of continued possession of current Approved Location(s) (or obtain written approval from us of a new Approved Location(s)), provide written notice 6 to 12 months in advance of end of term (initial or renewal), remodel or refurbish Franchised Business to comply with current standards, compliance with existing agreement and payment of all monetary obligations, execution of the then-current Franchise Agreement which may include materially different terms from the original contract (and a renewal amendment modifying the new franchise agreement to reflect renewal of an existing franchise), payment of a renewal fee equal to 25% of the then-current initial franchise fee, execution of a general release and compliance with the then-current legal, financial, and operational qualification and training requirements. If you satisfy all renewal criteria and your expiring franchise agreement (specifically including the Second Amended and Restated Renewal Franchise Agreement) expressly entitles you to carry over provisions regarding the calculation of royalty fees and fund contribution calculations, the renewal amendment will be modified to carry over such calculations from your expired franchise agreement. See Exhibit I for current versions of our renewal amendments. |
| d. | Termination by franchisee | Not Applicable | There is no contractual right for you to terminate the Agreement, but you may terminate under any grounds permitted by applicable law. |
| e. | Termination by franchisor without cause | Not Applicable. | Not Applicable |
| f. | Termination by franchisor with cause | Section 14 | We can terminate if you commit any of several listed defaults, including bankruptcy, abandonment, and other grounds. |

| Provision | | Section in Franchise Agreement | Summary |
|---|---|---|---|
| g. | "Cause" defined - curable defaults | Section 14 | You have 30 days (or 5 days in the event of a monetary default) to cure a default other than a non-curable default; within the respective time frame, you must initiate a remedy and satisfactorily cure the default. |
| h. | "Cause" defined - non-curable defaults | Section 14 | We may terminate the agreement immediately upon delivery of written notice if your actions or inactions qualify as any of the non-curable defaults enumerated in detail in Section 14.2, including bankruptcy, abandonment, conviction of felony, maintaining false books and records, etc. |
| i. | Franchisee's obligations on termination/non-renewal | Section 15 | Upon termination: (i) you must cease operations, (ii) you must cease using the Marks, (iii) you must cancel any assumed names, (iv) we will have the right to acquire the lease or occupy the leased premises, (v) you must not operate any business that is confusingly similar to our Franchised Businesses, (vi) you must pay outstanding balances and all damages, costs and expenses related to the termination of your Franchised Business (including liquidated damages if termination is due to your default), (vii) you must immediately deliver to us the Manual and proprietary information, (viii) we will have the right to purchase any furnishings and equipment related to the Franchised Business with 30 days, (ix) you must provide us with all unfulfilled and incomplete contracts within 3 days after termination, (x) you must cancel use of or assign to us any objects or information that identify the Franchised Business, as detailed in Section 15.11, (xi) you must grant us access to the Franchised Business premises to recover all Confidential Information and proprietary |
| j. | Assignment of contract by franchisor | Section 13 | No restriction on our right to transfer. |
| k. | "Transfer" by franchisee-defined | Section 13 | You may not, without our prior written consent, transfer, pledge or otherwise encumber: the Franchise Agreement or any of your rights and obligations under the Franchise Agreement, all or substantially all of the assets of the Franchised Business, the leases or any other interest in the Approved |

| Provision | | Section in Franchise Agreement | Summary |
|---|---|---|---|
| | | | Location(s) or any direct or indirect ownership interests in you. |
| l. | Franchisor approval of transfer by franchisee | Section 13 | We have the right to approve transfers, which we will not unreasonably withhold, provided conditions are met. |
| m. | Conditions for franchisor approval of transfer | Section 13 | Approval conditions are enumerated in detail in Sections 13.4 and 13.5 |
| n. | Franchisor's right of first refusal to acquire franchisee's business | Section 13.6 | We can match any third-party purchase offer for all or part of your Business within 30 days after receipt of such information, unless the transfer is to an entity owned by you or is because of a death or incapacitation. |
| o. | Franchisor's option to purchase franchisee's business | Section 15.9 | We have the option, within 30 days of termination or default, to purchase your furnishings, equipment, material, or inventory at cost or fair market value. |
| p. | Death or disability of franchisee | Sections 13.7, 13.8 and 13.9 | Notification to Franchisor must occur within 10 days after death or permanent disability. In the event of death, Franchised Business must be assigned to heir, successor or approved third party within 6 months. In the event of disability, the Franchised Business must be assigned to an approved third party within 6 months of notice to franchisee. |
| q. | Non-competition covenants during the term of the franchise | Sections 16.1, 16.2 | Devote full time, energy, and best efforts to the management and operation of the Franchised Business, and you may not, directly or indirectly (including through an affiliate), devote attention or efforts to any other type of remodeling business other than bathroom remodeling, including, without limitation, kitchen remodeling, replacement, or updating.<br><br>Prohibition on owning interest in or operating any similar or competing businesses that offer products or services similar or identical to the Approved Products (a "**Competitive Business**"); diverting business to a Competitive Business; and acts injurious to the Marks or System. These provisions are subject to state law. |
| r. | Non-competition covenants after the franchise is terminated or expires | Section 16.3 | Two-year prohibition on: operating or having an interest in a Competitive Business: (i) at the Approved Location, (ii) within your former Territory, (iii) within 10 miles of the boundary of the Protected Territory, (iv) within a 10-mile radius of the Approved |

| Provision | | Section in Franchise Agreement | Summary |
|---|---|---|---|
| | | | Location, or (v) within the Protected Territory of another ReBath business; diverting business to a Competitive Business; and acts injurious to Marks or System. These provisions are subject to state law. |
| s. | Modification of the agreement | Section 22 | Must be mutually agreed upon and in writing and executed by all parties. |
| t. | Integration/merger clause | Section 22 | Only the final written terms of the Franchise Agreement are binding (subject to state law), but this provision will not act, or be interpreted, as a disclaimer of any representations made in this Disclosure Document. Any representations or promises made outside of the Disclosure Document and Franchise Agreement may not be enforceable. |
| u. | Dispute resolution by arbitration or mediation | Section 24 | Must mediate first (subject to state laws). |
| v. | Choice of forum | Section 24 | Jurisdiction and venue shall be in the courts of Maricopa County, Arizona or the United States District Court for the District of Arizona, southern division, or the state and county of the residence of the guarantee or the location of the franchise, at our election. (subject to applicable state laws) |
| w. | Choice of law | Section 24 | Arizona (subject to applicable state laws). |

## ITEM 18
## PUBLIC FIGURES

There is no compensation or other benefit given or promised to any public figure arising from either the use of the public figure in the name or symbol of the franchise or the endorsement or recommendation of the franchise by the public figure in advertisements. There are no public figures involved in our management. The Franchise Agreement does not prohibit you from using the name of a public figure or celebrity in your promotional efforts or advertising; however, all advertising requires our approval.

## 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 or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in this Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following table includes information regarding the historic performance in calendar year 2025 for all Franchised Businesses that (1) were open and operating for a full year as of December 31, 2025, and (2) provided us with profit and loss statements validated by the franchisee for accuracy for the respective time period (the "Reporting Criteria"). As of December 31, 2025, we had 142 Franchised Businesses open and operating in the United States. Of this total, 122 (86%) met the Reporting Criteria. The following table excludes data from 2 Franchised Businesses that opened in 2025 and thus were not open and operating for all of the 2025 calendar year, as well as 18 Franchised Businesses that were open throughout 2025 but that did not provide validated profit and loss statements. Two Franchised Business closed during 2025 and 3 Franchised Business were reacquired by us during 2025, and are not included in the following table; they had been open for more than 12 months before closing or being reacquired.

In addition to providing aggregate data regarding all 122 Franchised Businesses that met the Reporting Criteria (the "Total Open 1+ Years" Column), the following table also provides specific data regarding those that opened in 2024 ("Open in 2024" Column"), 2023 ("Open in 2023" Column), and those that opened prior to 2023 ("Open Prior to 2023" Column). Please carefully read all of the information in this Item 19, and all of the notes following the table, in conjunction with your review of the historical data.

**2025 PERFORMANCE OF FRANCHISED BUSINESSES**

| | Total Open 1+ Years | Open in 2024 | Open in 2023 | Open prior to 2023 |
|---|---|---|---|---|
| Number of Agreements | 122 | 11 | 5 | 106 |
| Population Covered | 205,624,285 | 16,633,878 | 4,697,274 | 184,293,133 |
| Average Territory Size in Population | 1,685,445 | 1,512,171 | 939,455 | 1,738,614 |
| Number At or Above Average and Percent | 40 and 32.8% | 4 and 36.4% | 2 and 40.0% | 35 and 33.0% |
| Median Territory Size in Population | 1,515,291 | 1,381,372 | 813,519 | 1,548,468 |
| High Territory Size in Population | 8,322,309 | 2,692,992 | 1,543,550 | 8,322,309 |
| Low Territory Size in Population | 312,296 | 793,404 | 610,586 | 312,296 |
| | | | | |
| Average Marketing $'s Spent per Unit | $ 356,326 | $ 81,757 | $ 218,718 | $ 391,310 |
| Number At or Above Average and Percent | 44 and 36.1% | 5 and 45.5% | 2 and 40.0% | 40 and 37.7% |
| Median Marketing $s Spent per Unit | $ 264,780 | $ 55,177 | $ 181,569 | $ 299,468 |
| High Marketing $s Spent per Unit | $ 2,030,845 | $ 226,300 | $ 394,163 | $ 2,030,845 |
| Low Marketing $s Spent per Unit | $ 3,951 | $ 3,951 | $ 83,239 | $ 32,710 |
| | | | | |
| Average Marketing $'s Spent Per Person | $ 0.21 | $ 0.05 | $ 0.23 | $ 0.23 |
| Number At or Above Average and Percent | 61 and 50.0% | 6 and 54.6% | 2 and 40.0% | 54 and 50.9% |
| Median Marketing $'s Spent Per Person | $ 0.21 | $ 0.06 | $ 0.18 | $ 0.23 |
| High Marketing $'s Spent Per Person | $ 1.83 | $ 0.22 | $ 0.65 | $ 1.83 |
| Low Marketing $'s Spent Per Person | $ 0.00 | $ 0.00 | $ 0.10 | $ 0.02 |
| | | | | |
| Total Leads Generated | 247,609 | 9,156 | 6,062 | 232,391 |
| Average CPL | $ 176 | $ 98 | $ 180 | $ 178 |
| Number At or Above Average and Percent | 64 and 52.5% | 4 and 36.4% | 3 and 60.0% | 58 and 54.7% |

| | | | | |
|---|---|---|---|---|
| Median CPL | $ 183 | $ 65 | $ 191 | $ 190 |
| High CPL | $ 889 | $ 352 | $ 385 | $ 889 |
| Low CPL | $ 5 | $ 5 | $ 88 | $ 26 |
| | | | | |
| Total Jobs Sold | 24,151 | 689 | 653 | 22,809 |
| Average Conversion Rate | 9.8% | 7.5% | 10.8% | 9.8% |
| Number At or Above Average and Percent | 62 and 50.8% | 6 and 54.6% | 2 and 40.0% | 55 and 51.9% |
| Median Conversion Rate | 9.8% | 8.0% | 9.8% | 9.9% |
| High Conversion Rate | 45.6% | 13.3% | 12.4% | 45.6% |
| Low Conversion Rate | 2.7% | 3.3% | 8.1% | 2.7% |
| | | | | |
| Gross Sales | $ 436,908,001 | $ 13,694,224 | $ 12,567,479 | $ 410,646,297 |
| Average Gross Sales/Unit | $ 3,581,213 | $ 1,244,929 | $ 2,513,496 | $ 3,874,022 |
| Number At or Above Average and Percent | 44 and 36.1% | 6 and 54.6% | 2 and 40.0% | 37 and 34.9% |
| Median Gross Sales/Unit | $ 2,627,361 | $ 1,312,886 | $ 1,706,178 | $ 2,801,449 |
| High Gross Sales/Unit | $ 19,269,109 | $ 2,546,212 | $ 4,629,907 | $ 19,269,109 |
| Low Gross Sales/Unit | $ 223,115 | $ 223,115 | $ 611,122 | $ 630,260 |
| | | | | |
| Average Gross Sales/Person | $ 2.12 | $ 0.82 | $ 2.68 | $ 2.23 |
| Number At or Above Average and Percent | 56 and 45.9% | 6 and 54.6% | 2 and 40.0% | 46 and 43.4% |
| Median Gross Sales/Person | $ 1.98 | $ 0.95 | $ 1.94 | $ 2.13 |
| High Gross Sales/Person | $ 16.93 | $ 2.19 | $ 7.58 | $ 16.93 |
| Low Gross Sales/Person | $ 0.15 | $ 0.15 | $ 0.62 | $ 0.45 |
| | | | | |
| Average Gross Margin | 53.5% | 57.8% | 63.8% | 53.2% |
| Number At or Above Average and Percent | 54 and 44.3% | 6 and 54.6% | 1 and 20.0% | 44 and 41.5% |
| Median Gross Margin | 52.8% | 58.0% | 60.0% | 52.4% |
| High Gross Margin | 91.9% | 89.0% | 81.0% | 91.9% |
| Low Gross Margin | 3.8% | 3.8% | 42.4% | 29.1% |
| | | | | |
| Average Net Income | 10.6% | 16.6% | 25.7% | 10.1% |
| Number At or Above Average and Percent | 56 and 45.9% | 6 and 54.6% | 1 and 20.0% | 47 and 44.3% |
| Median Net Income | 8.4% | 32.0% | 15.4% | 8.4% |
| High Net Income | 77.1% | 76.1% | 64.8% | 77.1% |
| Low Net Income | -182.0% | -182.0% | -19.4% | -80.7% |

Notes to the Table Above:

1. "**Territory Population**" means the population of the franchisees' Protected Territories as of January 1, 2025.

2. "**Number of Agreements**" means the number of signed Franchise Agreements for which data is provided in a given category. In some cases, the same franchisee has signed multiple Franchise Agreements. Each Franchise Agreement grants a separate Protected Territory.

3. "**Average**" refers to the sum of all data points in a set, divided by the number of data points in that set.

4. "**Median**" means the data point that is in the center of all data points in a given category, with an equal number above and below the mid-point. If the category contains an even number of data points, the median is reached by taking the 2 numbers in the middle, adding them together, and dividing by two. In the event the number of data points is an odd number, the median is the center number.

5. "**Gross Sales**" means the sum value of executed customer contracts, total service revenues, and any other non-contracted revenues of every kind and nature related to, derived from, or originating from the Franchised Business; provided, however, that "Gross Sales" excludes any customer refunds, sales taxes, and/or other taxes collected from customers by you and actually transmitted to the appropriate taxing authorities.

6. "**Marketing Spend**" means expenditures made by the franchisee to customize various marketing collaterals, procure advertising space in various forms of media, and the franchisee's contribution to the Advertising Fund.

7. "**Lead**" refers to any prospective customer that has demonstrated interest in or requested receiving products or services from a franchisee.

8. "**Cost Per Lead ('CPL')**" means the dollar amount spent for each lead received by a franchisee, which is calculated by dividing the Marketing Spend by the total number of leads received.

9. "**Total Jobs Sold**" is the total number of renovation jobs sold by the Franchised Businesses that met the Reporting Criteria to any customer during the 2025 calendar year.

10. "**Conversion Rate**" refers to the percentage of leads that are converted to sold jobs.

11. "**Gross Margin**" is total sales minus the material costs, freight, installation labor and sales commissions divided into sales.

12. "**Net Income**" is a franchisee's total sales minus all expenses, including cost of goods sold, taxes, interest, fees owed to us, and other general expenses divided into sales.

13. New franchisees pay us Royalty Fees of 5% or 6% of their weekly Gross Sales (subject to Minimum Royalty Fees), depending on gross sales for the prior month. Some existing franchisees operating under legacy forms of franchise agreement pay a lower royalty rate (which royalty terms may continue for such franchisees upon renewal), ranging from 2% (or 3%) to 5% of installed sales or gross sales (depending on the version of agreement), depending on such franchisee's applicable sales for the prior month, subject to a minimum monthly royalty payment. New franchisees currently make a weekly contribution to the Advertising Fund equal to 2% of their weekly Gross

Sales (subject to Minimum Advertising Contribution). Instead of contributing to the Advertising Fund that you will contribute to, some existing franchisees make contributions to a separate Media Fund and/or separate Brand Fund, which were established under legacy forms of the franchise agreement (which contribution calculations may continue for such franchisees upon renewal). Depending on their particular version of the franchise agreement, some franchisees contribute to these funds as follows: 0.33% of gross sales to the Brand Fund (also known as National Branding Fund and/or System Branding Fund), subject to a monthly minimum contribution of $175 per month; 2% of installed sales to the Brand Fund, subject to a monthly minimum contribution; or (I) to the Brand Fund in an amount equal to the lesser of (a) (i) the greater of the population of the franchisee's territory multiplied by the franchisee's minimum installed sales requirement for the market size multiplied by 0.5%, or (ii) 0.5% of the franchisee's installed sales for the previous month, or (b) 1.5 multiplied by the franchisee's average monthly installed sales for all mature franchises multiplied by 0.5%, and (II) to the Media Fund in an amount equal to the lesser of (A) (i) the greater of franchisee's territory population multiplied by the minimum installed sales requirement for the market size multiplied by 1.5% or (ii) 1.5% of the franchisee's installed sales for the previous month, or (B) (w) the aggregate actual installed sales for all mature franchisees in such franchisee's territory category divided by the total population for all mature franchisees in such franchisee's territory category (x) multiplied by 2.0 (y) multiplied by the Territory population (z) multiplied by 1.5%. Franchisees who contribute to the Media Fund and/or Brand Fund do not contribute to the Advertising Fund. A "mature franchise" is a Franchised Business that has been operated by a franchisee for at least 36 consecutive months as of the last day of the calendar year being measured. In addition, as compared to new franchisees, some existing franchisees operating under legacy franchise agreements have a lower minimum local advertising or marketing requirements of 8% of installed sales or gross sales, depending on the particular agreement at issue. Of the 122 Franchised Businesses included in Item 19, there are 48 Franchised Businesses on a legacy form of franchise agreement. Except as noted above, the Franchised Businesses that met the Reporting Criteria do not differ materially from the Franchised Business offered under this Disclosure Document.

The operating data in the tables were prepared from internal operating records provided to us by the owners/operators of the Franchised Businesses. The information presented in this Item 19 has not been audited.

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

Written substantiation for the representations contained in the table will be made available to you upon a reasonable request.

Other than the preceding financial performance representation, ReBath does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Franchise Legal Department, 426 N. 44th Street, Suite 410, Phoenix, AZ 85008, (480) 754-8993, 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 2023 to 2025**

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---|---|---|---|---|
| Franchised | 2023 | 124 | 136 | +12 |
| | 2024 | 136 | 145 | +9 |
| | 2025 | 145 | 142 | -3 |
| Company Owned | 2023 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 |
| | 2025 | 0 | 3 | +3 |
| **Total Outlets** | **2023** | **124** | **136** | **+12** |
| | **2024** | **136** | **145** | **+9** |
| | **2025** | **145** | **145** | **0** |

**Table No. 2:**
**Transfers of Outlets from Franchisees to New Owners (Other Than the Franchisor) for Years 2023 to 2025**

| State/Province | Year | Number of Transfers |
|---|---|---|
| Colorado | 2023 | 0 |
| | 2024 | 1 |
| | 2025 | 0 |
| Connecticut | 2023 | 0 |
| | 2024 | 0 |
| | 2025 | 0 |
| Illinois | 2023 | 0 |
| | 2024 | 0 |
| | 2025 | 1 |
| Iowa | 2023 | 0 |
| | 2024 | 0 |
| | 2025 | 1 |
| Pennsylvania | 2023 | 0 |
| | 2024 | 0 |
| | 2025 | 0 |
| South Carolina | 2023 | 1 |
| | 2024 | 0 |
| | 2025 | 0 |
| Texas | 2023 | 0 |
| | 2024 | 3 |

| State/Province | Year | Number of Transfers |
|---|---|---|
| | 2025 | 0 |
| Utah | 2023 | 0 |
| | 2024 | 1 |
| | 2025 | 0 |
| **TOTALS** | **2023** | **1** |
| | **2024** | **5** |
| | **2025** | **2** |

**Table No. 3**
**Status of Franchised Outlets for Years 2023 to 2025**

| State | Year | Outlets at Start of Year | Outlets Open | Terminations | Non-renewals | Reacquired | Ceased Operations-Other Reasons | Outlets at End of Year |
|---|---|---|---|---|---|---|---|---|
| Alabama | 2023 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2025 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Alaska | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Arizona | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2025 | 3 | 0 | 1 | 0 | 1 | 0 | 1 |
| Arkansas (3) | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| California | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 4 | 0 | 1 | 0 | 0 | 8 |
| | 2025 | 8 | 2 | 0 | 0 | 0 | 0 | 10 |
| Colorado | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Connecticut | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2025 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Delaware (2) | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Florida | 2023 | 9 | 1 | 0 | 0 | 0 | 0 | 10 |
| | 2024 | 10 | 2 | 0 | 0 | 0 | 0 | 12 |

| State | Year | Outlets at Start of Year | Outlets Open | Terminations | Non-renewals | Reacquired | Ceased Operations-Other Reasons | Outlets at End of Year |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| Georgia (3) | 2023 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2024 | 6 | 1 | 0 | 1 | 0 | 0 | 6 |
| | 2025 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| Hawaii | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Idaho (2) | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Illinois (3) | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 3 | 0 | 0 | 0 | 0 | 6 |
| | 2025 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| Indiana (2) | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Iowa (4) | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Kansas (3) | 2023 | 1 | 1 | 0 | 1 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Kentucky (4) | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Louisiana | 2023 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2025 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| Maine | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Maryland | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 2 | 0 | 0 | 0 | 0 | 3 |
| | 2025 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Massachusetts (2) | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2025 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |

| State | Year | Outlets at Start of Year | Outlets Open | Terminations | Non-renewals | Reacquired | Ceased Operations-Other Reasons | Outlets at End of Year |
|---|---|---|---|---|---|---|---|---|
| Michigan (2) | 2023 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2025 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Minnesota (2) | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Mississippi (3) | 2023 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Missouri (3) | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2025 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Montana | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nebraska (2) | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Nevada | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New Hampshire | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New Jersey (2) | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New Mexico (3) | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 1 | 0 | 1 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New York | 2023 | 2 | 8 | 0 | 0 | 0 | 0 | 10 |
| | 2024 | 10 | 0 | 2 | 1 | 0 | 0 | 7 |
| | 2025 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| North Carolina (2) | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2025 | 5 | 0 | 0 | 0 | 1 | 0 | 4 |
| North Dakota | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| State | Year | Outlets at Start of Year | Outlets Open | Terminations | Non-renewals | Reacquired | Ceased Operations-Other Reasons | Outlets at End of Year |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ohio | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2025 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Oklahoma (4) | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Oregon (2) | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 1 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Pennsylvania (2) | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2025 | 5 | 0 | 1 | 0 | 0 | 0 | 4 |
| Rhode Island | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| South Carolina (5) | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2025 | 3 | 0 | 0 | 0 | 1 | 0 | 2 |
| South Dakota | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| Tennessee (2) | 2023 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| | 2025 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Texas (3) | 2023 | 17 | 0 | 0 | 0 | 0 | 0 | 17 |
| | 2024 | 17 | 0 | 0 | 0 | 0 | 0 | 17 |
| | 2025 | 17 | 0 | 0 | 0 | 0 | 0 | 17 |
| Utah | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Vermont | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Virginia (2) | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |

| State | Year | Outlets at Start of Year | Outlets Open | Terminations | Non-renewals | Reacquired | Ceased Operations-Other Reasons | Outlets at End of Year |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| Washington (2) | 2023 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| | 2025 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| West Virginia (2) | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wisconsin (2) | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2025 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Wyoming | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTALS** | **2023** | **124** | **13** | **0** | **1** | **0** | **0** | **136** |
| | **2024** | **136** | **17** | **3** | **5** | **0** | **0** | **145** |
| | **2025** | **145** | **2** | **2** | **0** | **3** | **0** | **142** |

**Notes to Table No. 3:**

1. In this table, an outlet is counted as being located in the state in which the franchisee or the majority of the franchisee's Protected Territory is located. If the Protected Territory of a franchisee located in one state overflows into a neighboring state, we have noted in a footnote for such neighboring state that a franchisee located outside of the state has territorial rights in the state.

2. As described in Note 1, the Protected Territory of 1 franchisee that is based in and counted in a neighboring state overflows into this state.

3. As described in Note 1, the Protected Territories of 2 franchisees that are based in and counted in a neighboring state overflow into this state.

4. As described in Note 1, the Protected Territories of 3 franchisees that are based in and counted in a neighboring state overflow into this state.

5. As described in Note 1, the Protected Territories of 4 franchisees that are based in and counted in a neighboring state overflow into this state.

**Table No. 4**
**Status of Company Owned Outlets for Years 2023 to 2025**

| State | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired by Franchisor | Outlets Closed | Outlets Sold to Franchisees | Outlets at End of Year |
|---|---|---|---|---|---|---|---|
| Arizona | 2023 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 1 | 0 | 0 | 1 |
| North Carolina | 2023 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 1 | 0 | 0 | 1 |
| South Carolina | 2023 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 1 | 0 | 0 | 1 |
| **Totals** | **2023** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **2024** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **2025** | **0** | **0** | **3** | **0** | **0** | **3** |

**Table No. 5**
**Projected New Franchised Outlets as of December 31, 2025**

| State | Franchise Agreements Signed But Outlets Not Opened | Projected New Franchised Outlets in the Next Fiscal Year | Projected New Company-Owned Outlets in the Next Fiscal Year |
|---|---|---|---|
| Arizona | 2 | 0 | 0 |
| California | 0 | 1 | 0 |
| Illinois | 1 | 0 | 0 |
| North Carolina | 1 | 1 | 0 |
| Pennsylvania | 1 | 0 | 0 |
| Virginia | 0 | 1 | 0 |
| Washington | 0 | 1 | 0 |
| **TOTALS** | **5** | **4** | **0** |

A list of names of all Re-Bath® franchisees and the addresses and telephone numbers of their respective businesses are in the list attached as Exhibit F to this Disclosure Document. A list of the name, city, state and current business telephone number of the Re-Bath® franchisees who have had a franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during ReBath's fiscal year 2025 or who have not communicated with us within the past 10 weeks is listed on Exhibit F to 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 past 3 years, we have signed confidentiality clauses with current and former franchisees. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Re-Bath® franchise system. You may wish to speak with current and former Re-Bath® franchisees but be aware that not all such franchisees will be able to communicate with you. Other than in these situations, there are no confidentiality clauses that prevent existing franchisees from talking to prospective franchisees about their franchise relationship. You should be aware that your contact information may be disclosed in future Re-Bath® Franchise Disclosure Documents.

We have created an Advisory Council consisting of 5 franchisees elected by the franchise network and one Franchisor representative, the CEO.

We have not created, sponsored, or endorsed any franchisee associations. The following independent franchisee association has asked to be included in this disclosure document: IARF, Inc., which is an affiliated chapter of the American Association of Franchisees & Dealers. IARF can be contacted at iarf@aafdchapters.org.

## ITEM 21
## FINANCIAL STATEMENTS

The financial statements listed below are attached to this Franchise Disclosure Document as Exhibit C: Our audited consolidated financial statements which comprise the consolidated balance sheets as of December 31, 2025, 2024, and 2023, and the related consolidated statements of income, consolidated changes in member's equity, and consolidated cash flows for the years then ended, and the related notes to the consolidated financial statements. In addition, we have included unaudited financial statements for the period beginning January 1, 2026, through April 30, 2026. Our fiscal year end is December 31st.

## ITEM 22
## CONTRACTS

The following contracts are attached as Exhibits to this Disclosure Document:

| | |
|---|---|
| Franchise Agreement | Exhibit B |
| Non-Disclosure Agreement | Exhibit G to the Franchise Agreement |
| General Release | Exhibit E |
| Financing Documents | Exhibit H |
| Promissory Note | Appendix 1 |
| Continuing Personal Guaranty | Appendix 2 |
| Financing Security Agreement | Appendix 3 |
| Sample Renewal Amendments | Exhibit I |

## ITEM 23
## RECEIPTS

Two copies of an acknowledgement of your receipt of this Franchise Disclosure Document are attached hereto as the last two pages of this Disclosure Document. Please sign both, return one copy to us, and retain the other for your records.

**LIST OF**
**STATE ADMINISTRATORS**
**AND AGENTS FOR SERVICE OF PROCESS**

**EXHIBIT A**

## LIST OF STATE ADMINISTRATORS

We intend to register this Disclosure Document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

| | |
|---|---|
| **CALIFORNIA**<br>Commissioner of Financial Protection and Innovation<br>California Department of Financial Protection and Innovation<br>320 West Fourth Street, Suite 750<br>Los Angeles, California 90013-2344<br>(866) 275-2677 | **NEW YORK**<br>Office of the New York State Attorney General<br>Investor Protection Bureau, Franchise Section<br>28 Liberty Street, 21st Floor<br>New York, New York 10005<br>(212) 416-8236 Phone<br>(212) 416-6042 Fax |
| **HAWAII**<br>Commissioner of Securities<br>Department of Commerce & Consumer Affairs<br>Business Registration Division<br>Securities Compliance Branch<br>335 Merchant Street, Room 203<br>Honolulu, Hawaii 96813<br>(808) 586-2722 | **NORTH DAKOTA**<br>Insurance Commissioner<br>North Dakota Insurance & Securities Department<br>600 Boulevard Avenue, Dept. 401<br>Bismarck, North Dakota 58505-0510<br>(701) 328-2910 |
| **ILLINOIS**<br>Illinois Attorney General<br>500 South Second Street<br>Springfield, Illinois 62706<br>(217) 782-4465 | **RHODE ISLAND**<br>Department of Business Regulation<br>Securities Division<br>John O. Pastore Complex–Bldg. 69–1<br>1511 Pontiac Avenue<br>Cranston, Rhode Island 02920<br>(401) 462-9585 |
| **INDIANA**<br>Indiana Securities Commissioner<br>Securities Division<br>302 West Washington, Room E-111<br>Indianapolis, Indiana 46204<br>(317) 232-6681 | **SOUTH DAKOTA**<br>Department of Labor and Regulation<br>Division of Insurance – Securities Regulation<br>124 S. Euclid Avenue, Suite 104<br>Pierre, South Dakota 57501<br>(605) 773-3563 |
| **MARYLAND**<br>Office of the Attorney General<br>Division of Securities<br>200 St. Paul Place<br>Baltimore, Maryland 21202-2020<br>(410) 576-6360 | **VIRGINIA**<br>State Corporation Commission<br>Division of Securities and Retail Franchising<br>1300 East Main Street, 9th Floor<br>Richmond, Virginia 23219<br>(804) 371-9051 |
| **MICHIGAN**<br>Michigan Department of Attorney General<br>Consumer Protection Division<br>G. Mennen Williams Building, 1st Floor<br>525 West Ottawa Street<br>Lansing, Michigan 48933<br>(517) 373-7117 | **WASHINGTON**<br>Department of Financial Institutions<br>Securities Division<br>P.O. Box 41200<br>Olympia, WA 98504-1200<br>(360) 902-8760 |

| | |
|---|---|
| **MINNESOTA**<br>Commissioner of Commerce<br>Minnesota Department of Commerce<br>85 7th Place East, Suite 280<br>St. Paul, Minnesota 55101<br>(651) 296-4026 | **WISCONSIN**<br>Commissioner of Securities<br>Department of Financial Institutions<br>Division of Securities<br>4822 Madison Yards Way, North Tower<br>Madison, Wisconsin 53705<br>(608) 261-9555 |

## AGENTS FOR SERVICE OF PROCESS

We intend to register this Disclosure Document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

| | |
|---|---|
| **CALIFORNIA**<br>Commissioner of Financial Protection and Innovation<br>California Department of Financial Protection and Innovation<br>320 West Fourth Street, Suite 750<br>Los Angeles, California 90013-2344<br>(213) 576-7500<br>(866) 275-2677 | **NEW YORK**<br>New York Department of State<br>One Commerce Plaza<br>99 Washington Avenue, 6th Floor<br>Albany, New York 12231-0001<br>518-473-2492 |
| **HAWAII**<br>Commissioner of Securities of the State of Hawaii<br>Department of Commerce & Consumer Affairs<br>Business Registration Division<br>Securities Compliance Branch<br>335 Merchant Street, Room 203<br>Honolulu, Hawaii 96813<br>(808) 586-2722 | **NORTH DAKOTA**<br>Insurance Commissioner<br>North Dakota Insurance & Securities Department<br>600 Boulevard Avenue, Dept. 401<br>Bismarck, North Dakota 58505-0510<br>(701) 328-2910 |
| **ILLINOIS**<br>Illinois Attorney General<br>500 South Second Street<br>Springfield, Illinois 62706<br>(217) 782-4465 | **RHODE ISLAND**<br>Director, Department of Business Regulation<br>Department of Business Regulation<br>Securities Division<br>John O. Pastore Complex–Bldg. 69–1<br>1511 Pontiac Avenue<br>Cranston, Rhode Island 02920<br>(401) 462-9585 |
| **INDIANA**<br>Indiana Secretary of State<br>302 West Washington, Room E-018<br>Indianapolis, Indiana 46204<br>(317) 232-6681 | **SOUTH DAKOTA**<br>Department of Labor and Regulation<br>Division of Insurance – Securities Regulation<br>124 S. Euclid Avenue, Suite 104<br>Pierre, South Dakota 57501<br>(605) 773-3563 |
| **MARYLAND**<br>Maryland Securities Commissioner<br>200 St. Paul Place<br>Baltimore, Maryland 21202-2020<br>(410) 576-6360 | **VIRGINIA**<br>Clerk of the State Corporation Commission<br>1300 East Main Street, 1st Floor<br>Richmond, Virginia 23219<br>(804) 371-9733 |
| **MICHIGAN**<br>Michigan Department of Attorney General<br>Consumer Protection Division<br>G. Mennen Williams Building, 1st Floor<br>525 West Ottawa Street<br>Lansing, Michigan 48933<br>(517) 373-7117 | **WASHINGTON**<br>Department of Financial Institutions<br>Securities Division<br>150 Israel Road, S.W.<br>Tumwater, Washington 98501<br>(360) 902-8760 |

| | |
|---|---|
| **MINNESOTA**<br>Commissioner of Commerce<br>Minnesota Department of Commerce<br>85 7th Place East, Suite 280<br>St. Paul, Minnesota 55101<br>(612) 296-4026 | **WISCONSIN**<br>Commissioner of Securities<br>Department of Financial Institutions<br>Division of Securities<br>4822 Madison Yards Way, North Way<br>Madison, Wisconsin 53705<br>(608) 261-9555 |

# FRANCHISE AGREEMENT

# EXHIBIT B

**RE-BATH**

**FRANCHISE AGREEMENT**

TABLE OF CONTENTS


| Section | | Page No. |
|---|---|---|
| 1. | GRANT | 2 |
| 2. | TERM AND RENEWAL | 4 |
| 3. | OUR ACTIVITIES | 6 |
| 4. | FEES; SALES REPORTING | 7 |
| 5. | YOUR DUTIES; OPERATIONAL STANDARDS | 10 |
| 6. | PROPRIETARY MARKS | 26 |
| 7. | CONFIDENTIAL OPERATING MANUALS | 28 |
| 8. | CONFIDENTIAL INFORMATION | 28 |
| 9. | ACCOUNTING AND RECORDS | 30 |
| 10. | ADVERTISING | 31 |
| 11. | PRODUCTS | 38 |
| 12. | INSURANCE | 39 |
| 13. | TRANSFER OF INTEREST | 40 |
| 14. | DEFAULT AND TERMINATION | 45 |
| 15. | OBLIGATIONS UPON TERMINATION OR EXPIRATION | 49 |
| 16. | COVENANTS | 52 |
| 17. | TAXES, PERMITS, AND INDEBTEDNESS | 54 |
| 18. | INDEPENDENT CONTRACTOR AND INDEMNIFICATION | 55 |
| 19. | FORCE MAJEURE | 55 |
| 20. | APPROVALS AND WAIVERS | 56 |
| 21. | NOTICES | 56 |
| 22. | ENTIRE AGREEMENT AND AMENDMENT | 56 |
| 23. | SEVERABILITY AND CONSTRUCTION | 57 |
| 24. | APPLICABLE LAW AND DISPUTE RESOLUTION | 58 |
| 25. | ACKNOWLEDGMENTS | 60 |

Exhibits:

A-1 Initial Franchise Fee, Royalty, and Other Key Terms
A-2 Protected Territory and Approved Locations
B Site Selection Addendum
C Guarantee, Indemnification, and Acknowledgment
D List of Principals and Ownership Interests
E ACH Authorization
F Lease Rider
G Non-Disclosure Agreement
H Media Services Addendum and Media Services Agreement

**RE-BATH**
**FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into on this _____ day of _____, 20__ (the "**Effective Date**"), by and between ReBath, LLC, a Delaware limited liability company whose principal place of business is 426 N. 44th Street, Suite 410, Phoenix, Arizona 85008 ("**we**," "**us**" or "**our**"); and _____ _____ a [resident of] [corporation organized in] [limited liability company organized in] _____ and having offices at _____ _____("**you**" or "**your**").

**BACKGROUND**:

A. We, as the result of the expenditure of significant time, skill, effort and money, have developed a distinctive and proprietary system (the "**System**") for establishing and operating businesses that offer and sell bathroom remodeling services, and related products and services.

B. The distinguishing characteristics of the System include, among other things: one (1) or more specially-designed buildings or facilities with specially developed equipment, equipment layouts, and signage; distinctive interior and exterior design, décor, color scheme and furnishings, fixtures and other trade dress elements; proprietary products; product standards and specifications, policies and procedures for construction, management and operations; installation and service standards, specifications, and techniques; quality, distinctiveness and uniformity of products and services; standards, specifications, and procedures for customer, lead, inventory, sales and financial management and control; customer service and satisfaction standards, policies, and procedures; training and assistance; technology and technology management standards and specifications; and advertising and promotional programs, all as more particularly described and designated herein and in the Manual and all of which we may change, improve, and further develop at our option from time to time.

C. We identify the System by means of certain licensed trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the service mark "Re-Bath®" and such other trade names, service marks and trademarks as are now designated (and may hereinafter be designated by us in writing) for use in connection with the System (the "**Marks**"). We continue to use such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance, and service.

D. We are in the business of, among other things, franchising others to operate businesses that both (i) offer and sell single-family residential bathroom design and remodeling services, as well as offer and sell bath and other related products and services under the System, and (ii) are identified by the Marks (each a "**Re-Bath Business**") and you desire to operate a Re-Bath® Business and to receive the training and other assistance provided by us in connection therewith.

E. You understand and acknowledge the importance of our high standards of quality, cleanliness, appearance, and service and the necessity of operating the business franchised hereunder in conformity with our standards and specifications.

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

## 1. GRANT

1.1 Grant of Rights. Upon the terms and conditions set forth in this Agreement, we hereby grant to you the right and franchise, and you accept and undertake the obligation, to: (a) operate one (1) Re-Bath Business under the System (the Re-Bath Business to be established and operated hereunder is referred to as the "**Franchised Business**"); (b) to use, only in connection with the Franchised Business, the Marks and the System, as they may be changed, improved, or further developed from time to time by us; and (c) and to do so only at and from the location or locations for the Showroom (as defined in Section 5.8 below) specified in Exhibit A-2 (the "**Showroom Approved Location**"), the Warehouse (as defined in Section 5.8 below) specified in Exhibit A-2 (the "**Warehouse Approved Location**"), and the Office (as defined in Section 5.8) specified in Exhibit A-2 (the "**Office Approved Location**"), (together, and individually, the "**Approved Location**" or "**Approved Locations**"), which shall be located within the Protected Territory (as defined in Section 1.2). The Showroom, Warehouse, and Office may occupy the same, or different, locations. If, at the time of execution of this Agreement, the Approved Locations have not been obtained by you and approved by us, you shall lease, sublease, or acquire a site for the Showroom, the Warehouse, and the Office (which may be one (1) or multiple different sites), subject to our written consent in accordance with the Site Selection Addendum attached as Exhibit B (the "**Site Selection Addendum**") and the Manual, which may be revised from time to time. Except as otherwise provided in this Agreement, the Franchised Business shall not advertise, offer, sell, or install products, or provide services, at or to any facilities other than single-family residences ("**Approved Installation Locations**"), without our prior written consent.

1.2 Protected Territory. Except as otherwise described in this Agreement, for so long as you are in full compliance with this Agreement, we will not, during the term of this Agreement: (a) operate or license others to operate a Re-Bath Business from a physical premises located within the protected territory set forth in Exhibit A-2 of this Agreement ("**Protected Territory**"), or (b) install products or provide services, or license others to install products or provide services, that are identified by the Marks at existing Approved Installation Locations that are located within the Protected Territory. We retain all other rights not expressly granted in this Agreement. For example, without obligation to you, we and our affiliates may, among other things, and regardless of proximity to or economic impact upon the Franchised Business:

1.2.1 Offer, sell, and install any products, and provide any services, that are identified by any marks except the Marks, including products and services that are the same or similar to products and services offered, sold, and installed by the Franchised Business, within and outside of the Protected Territory; and

1.2.2 Offer, sell, and install any products and provide any services that are identified by any marks, including the Marks, at and to any facilities other than Approved Installation Locations, within and outside of the Protected Territory;

1.2.3 Offer, sell, and install any products and provide any services that are identified by any marks, including the Marks, to National Accounts (defined below) within and outside of the Protected Territory. Without limitation, if we establish a National Accounts program and you fail or refuse to participate or service any required National Accounts, in any manner and for whatever reason, your participation is refused or terminated for any reason, or we determine, in our sole determination, that you will or may potentially fail to uphold the standards established for the National Accounts program, we, our affiliates, or other franchised businesses outside of your Protected Territory, in our sole determination, may install products or provide services, or license others to install products or provide services, within the Protected Territory for as long as we deem appropriate in our sole discretion; and

1.2.4 Advertise and promote the System and the Marks within and outside of the Protected Territory.

1.3 Unassigned Territory. Except as provided in the Manual, as otherwise provided for in this Agreement, or with express written consent by us, the Franchised Business is not permitted to engage in any marketing, install any products, or provide any services, at locations outside of the Protected Territory. Unless we expressly agree otherwise in writing, any written consent or other approval granted by us will be temporary, may be rescinded by us at any time, and will not permanently modify the terms or conditions of this Agreement. For the avoidance of doubt, a one-time consent to service a specific customer (including under Section 1.4.4 below), regardless of form, will not be deemed a perpetual consent or provisions waiver for a specific zip code or customer type and such consents expire following the completion of the particular customer installation.

1.4 Installation of Products and Provision of Services in a Neighboring Franchisee's Territory. If the Franchised Business installs any products, or provides any services that are identified by the Marks or otherwise authorized for sale by Re-Bath Businesses, at any location within the geographic area in which we have granted rights to another franchisee who operates a Re-Bath Business ("Neighboring Franchised Business"), or within the Neighboring Franchised Business's protected territory or a twenty-mile (20-mile) radius of a Re-Bath Business that is owned or operated by us or our affiliate (collectively, "Neighboring Territory"), without prior written consent from us, then the following provisions shall apply:

1.4.1 We may require you to immediately pay to us or, at our option, to the Neighboring Franchised Business or our affiliate, as applicable, liquidated damages in an amount equal to fifty percent (50%) of your Average Ticket, as defined below for each unauthorized installation, project, or sale. As used herein, "Average Ticket" shall be calculated by dividing your total Gross Sales during the six (6) full calendar months prior to the date when the unauthorized installation was completed by the number of jobs you sold in the same time period. If you fail to make a timely payment as we may require under Section 1.4.1, such fail will constitute an event of default under this Agreement and grounds for termination. If any unauthorized installation, project, or sale occurs two (2) or more times within any twelve-month (12-month) period, such unauthorized sales will constitute an event of default under this Agreement and grounds for termination.

1.4.2 You and we agree that the payments called for in Section 1.4.1 are not a penalty. A precise calculation of the full extent of the damages that we will incur due to an unauthorized installation, project, or sale described under this Section 1.4 cannot be reasonably determined. Nevertheless, the parties agree that the payment provided under Section 1.4.1 is reasonable in light of the damages that may reasonably be expected to occur in such event, and is in addition to any other rights and remedies available to us, and not an election of remedies.

1.4.3 You shall also pay to us, in addition to any amounts then due and owing, all expenses incurred by us as a result of your unauthorized installation, project, or sale, including reasonable attorneys' fees, costs, and expenses, and interest on such attorneys' fees, costs, and expenses; including indemnifying us for any damages and costs incurred by us to defend or settle any claim(s) made by a Neighboring Franchised Business as a result of or arising from your unauthorized work in the Neighboring Territory.

1.4.4 If we or a Neighboring Franchised Business or our affiliate, as applicable, consents to your Franchised Business' installation of products or provision of services that are identified by the Marks or otherwise authorized for sale by Re-Bath Businesses within a Neighboring Territory, such consent may be withdrawn by us at any time upon written notice to you.

1.4.5 In the event a Neighboring Franchised Business is granted permission by us or by virtue of a National Account program to provide services in your Protected Territory, you must, upon our written notice, immediately work in good faith with us and the Neighboring Franchised Business to establish a timeframe to transfer all customer accounts to the Neighboring Franchisee, which will be no longer than sixty (60) days. Further, if you conduct any of the Franchised Business' services in a geographic area not within your Protected Territory and not assigned to a Neighboring Franchised Business and thereafter we grant a Neighboring Franchised Business the right to operate a Re-Bath Business in such territory, your right to provide services in the Neighboring Franchised Business' territory will be deemed immediately revoked and you must cease all marketing for Re-Bath Business in the Neighboring Franchised Business' territory and you must work in good faith with us and the Neighboring Franchised Business to transfer all customer accounts to the Neighboring Franchised Business within sixty (60) days; provided, for the avoidance of doubt, you may complete any customer jobs for which you received a deposit prior to our sale of such territory to the Neighboring Franchised Business without owing any amounts to such Neighboring Franchised Business.

1.5 Your Remedy. If a Neighboring Franchised Business installs any products, or provides any services, that are identified by the Marks or otherwise authorized for sale by Re-Bath Business, in the Protected Territory and we require such Neighboring Franchised Business to pay liquidated damages to you (or we remit to you liquidated damages paid by such Neighboring Franchised Business to us therefor), such payment shall be your sole remedy against us and the Neighboring Franchised Business for such installation of products or provision of services. You acknowledge and agree that we have no obligation to seek liquidated damages.

1.6 Leads in a Neighboring Territory. Except in connection with requests from a National Account in compliance with Section 3.8, if you receive a request from a customer or prospective customer to install products or provide services that are identified by the Marks or otherwise authorized for sale by Re-Bath Businesses in a Neighboring Territory (including within the territory of a Neighboring Franchised Business or a twenty-mile (20-mile) radius of a Re-Bath Business that is owned or operated by us or our affiliate), you must promptly notify us, our affiliate, or the Neighboring Franchised Business, as applicable, and comply with the policies and procedures that we establish in the Manual or otherwise in writing. In no event shall compensation be paid for such leads or referrals.

1.7 Advertising and Promotional Materials. We and you acknowledge that advertising and promotional materials created, placed, and/or distributed by us, other Re-Bath franchisees, or other entities authorized by us, may appear in media distributed in, or may be directed to prospective customers located within and outside of the Protected Territory, including on our website or any related website and the appearance of such materials does not give rise to any claim hereunder.

1.8 Restriction on Sale of Products and Services. You shall not offer or sell products or services authorized under this Agreement through any other means, including but not limited to through satellite locations, temporary locations, trailers, carts or kiosks, mobile showrooms, national account stores, the Internet, or through any electronic media, without our prior written approval, and only in accordance with our policies as they may be developed and/or modified from time to time.

1.9 No Right to Subfranchise. You may not subfranchise, sublicense, or relicense to others any right to use the System or the Marks. If you attempt to or subfranchise, sublicense, or relicense to others any right to use the System or the Marks, it shall constitute an event of default under this Agreement and grounds for immediate termination.

## 2. TERM AND RENEWAL

2.1 Term. Except as otherwise provided herein and unless sooner terminated in accordance with the provisions hereof, the initial term of this Agreement shall commence on the Effective Date and expire ten (10) years thereafter ("Initial Term"). The Initial Term and any Renewal Term under Section 2.2 below are collectively the "Term."

2.2 Renewal. You may exercise an option to renew your right to operate the Franchised Business for two (2) additional consecutive terms which shall be five (5) years each (each, a "Renewal Term"), subject to your full compliance to our satisfaction with any or all of the following conditions, as designated by us at our sole option, prior to each renewal:

2.2.1 You shall present evidence to us that you have the right to remain in possession of the premises of the Approved Locations, or shall obtain written approval by us of a new Approved Location or Approved Locations;

2.2.2 You shall give us written notice of your election to renew no fewer than six (6) months nor more than twelve (12) months prior to the end of the initial term, or the first renewal term, whichever is applicable;

2.2.3 You shall remodel and refurbish the Franchised Business (including Vehicles, as defined below) to comply with our then-current standards in effect for new Re-Bath Businesses;

2.2.4 During the Term, you will not have been in material default (including, without limitation, no uncured default) of any provision of this Agreement, any amendment to this Agreement, any successor to this Agreement, or any other agreement between you or your affiliates and us or our affiliates, including, without limitation, Minimum Annual Gross Sales obligations and the operating standards prescribed by us in the Manual;

2.2.5 You shall have satisfied all monetary and performance obligations owed by you to us and our subsidiaries and affiliates, and to the Advertising Fund (defined below), and shall have timely met those obligations throughout the Term;

2.2.6 You shall execute our then-current form of franchise agreement, which agreement shall supersede this Agreement in all respects, and you acknowledge that the terms, conditions, and provisions of which, and the obligations of the parties thereto, may differ substantially from the terms, conditions, provisions and obligations in this Agreement, including, without limitation, a higher royalty fee, advertising contribution, or technology fee, and a different or modified Protected Territory;

2.2.7 You shall pay, in lieu of an initial franchise fee, a renewal fee equal to twenty-five percent (25%) of our then-current initial franchise fee for a new Re-Bath Business;

2.2.8 You and your Principals must execute a general release, in a form prescribed by us, of any and all claims against us and our subsidiaries and affiliates, and our respective owners, officers, directors, agents, and employees arising, existing, or resulting from actions or omissions occurring prior to such renewal; and

2.2.9 You and your Principals must comply with our then-current legal, financial, and operational qualifications for a new franchisee and you and your personnel must satisfy our then-current training requirements, prior to commencement of operations under the renewal form of franchise agreement described in Section 2.2.6 above.

2.3 Holdover. In the event the parties continue to perform under this Agreement after expiration of the initial term or any renewal term, as applicable, without executing a renewal franchise agreement, this Agreement will be deemed to extend on a month-to-month basis and both parties will have the right to terminate (and prevent further extensions of) this Agreement upon at least thirty (30) days' written notice.

## 3. OUR ACTIVITIES

3.1 Initial and Ongoing Assistance. Prior to the opening of the Franchised Business, we shall provide to you, to the Operating Owner (as defined in Section 5.28.4(a) below and designated in Exhibit D), to your Manager (as defined in Section 5.28.4(b) below), and to such of your other management employees we designate, such training programs as we may designate, to be conducted at such time(s) and location(s) designated by us. We shall also provide such ongoing training as we may, from time to time, deem appropriate. Details regarding training are set forth in Section 5.5 below.

3.2 Establishment of the Franchised Business. We may, at our option, make available to you, in the Manual or otherwise in writing, advice on the exterior and interior design and fixtures, furnishings, equipment, and signs. Such specifications are general guidance only and not specific to your Approved Location, and shall not contain the requirements of any federal, state or local law, code or regulation (including those concerning the Americans with Disabilities Act (the "**ADA**") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such specifications contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build or renovate a specific Approved Location premises, compliance with all of which shall be your sole responsibility and at your sole expense. You shall adapt, at your sole expense, the standard specifications to the Approved Locations, subject to our written approval, as provided in Section 5.2 below, which will not be unreasonably withheld. You agree and acknowledge that we have the right to modify the specifications as we deem appropriate from time to time, in which you must comply with any modifications we may require to the design, fixtures, furnishings, equipment and signs of your Franchised Business of which your compliance will be your sole responsibility.

3.3 Opening Assistance. We may, at our option, provide such guidance to you in formulating your initial opening orders for inventory and supplies, and in organizing the Franchised Business as we deem advisable. We may provide on-site pre-opening and opening supervision and assistance as we deem advisable.

3.4 Manual. We shall provide you, on loan, one (1) copy of the confidential operations manual, which is part of the Manual as more fully described in Section 7 below.

3.5 Advertising and Promotion. We shall have the right to approve or disapprove all advertising and promotional materials that you propose to use, pursuant to Section 10 below. In addition, during the term of this Agreement, we shall provide you with such other advertising assistance, sales advice, or related materials as we deem advisable.

3.6 System Advertising Fund. We may establish and administer, at our sole option, an advertising, marketing, promotional, brand protection, and advertising fund, which may be referred to as the "**Advertising Fund**," or such other name as we may designate, in the manner set forth in Section 10 below.

3.7 Ongoing Assistance. We shall provide such periodic assistance to you in the marketing, management, and operation of the Franchised Business as we determine, at our sole option, at the time(s) and in the manner that we determine.

3.8 National Accounts. We may establish, administer, and require you to participate within your Protected Territory, or outside your Protected Territory, subject to our written approval, which may be revoked at any time and for any reason at our sole discretion, in programs for the sale of products and services to retailers, distributors, or networks of retailers or distributors, having two (2) or more locations on a national or regional basis, at least one of which requires the delivery of products or services outside of your Protected Area ("**National Accounts**"). We, our affiliates, other franchisees, and other parties we designate may sell products and services to such National Accounts at locations that are situated within your Protected Territory or any territory of any other franchisee operating a Re-Bath Business. We may promulgate and enforce the terms and conditions under which you and any other franchisee must or may participate in any given National Account program; including but not limited to providing services, installation(s) and marketing for the support of the National Account program within and outside of your Protected Territory, as determined by us in our sole determination from time to time. You may be required to execute contracts governing such programs as a condition of your participation. A National Account program may include standards or other requirements that govern or otherwise limit the pricing of any products or services offered or promoted to that National Account program's customers ("**National Account Pricing Requirements**"). In the event of a conflict between pricing in this Section 3.8 and in Section 5.25, this Section 3.8 shall supersede and control but only with respect to National Account Pricing Requirements. For any required National Account program, you must service all of the National Account's stores within the Protected Territory unless we approve a different arrangement in writing. Both we and the National Account will have the right to refuse or revoke your participation in the program at our and its sole option. In the event your participation is refused or terminated for any reason, you fail or refuse to participate in a National Accounts program or service any required National Account, or we determine, in our sole determination, that you will or may potentially fail to uphold the standards established for the National Accounts program, we may grant others (including, but not limited to, us, our affiliates, and other franchisees) the right to sell and install products and services with respect to that particular National Account in your Protected Territory. In no event shall you discontinue or refuse to service a National Account without our prior written approval. We and/or any National Account may charge you lead referral and/or administrative fees in return for National Account referrals. We reserve the right to require your participation in all or some of the National Account programs within your Protected Territory. In the event we do require your participation and your participation is subsequently refused or revoked by us or a National Account for any reason, you shall be deemed in breach of this Agreement and we may, at our option, execute any and all rights under Section 14. We reserve the right to modify or discontinue any National Account programs.

3.9 Lead Referral Programs. In addition to National Accounts, we may arrange for other lead referral programs under which you pay fees to us or the referral source in return for sales leads in your Protected Territory. We will give you information about these programs as they are developed and you will have the option to participate. If you participate in any lead referral programs we arrange, you must comply with the terms and conditions of the program, and we may require, at our sole option and in our sole discretion, that you enter into an agreement governing your participation.

3.10 Delegation of Duties. You acknowledge and agree that any of our designees, employees, or agents may perform any duty or obligation imposed on or available to us by this Agreement, as we may direct at our sole option and in our sole discretion.

## 4. FEES; SALES REPORTING

4.1 Initial Franchise Fee. You shall pay us the initial franchise fee set forth in Exhibit A-1 (the "**Initial Franchise Fee**"), which must be paid in full prior to or immediately upon execution of this Agreement or, with our prior consent, financed with us pursuant to the financing programs and policies, if any, that we may designate from time to time. Notwithstanding the above, we shall have no obligation to

offer any financing for the payment of the Initial Franchise Fee. The Initial Franchise Fee shall be non-refundable in consideration of the administrative and other expenses incurred by us in granting this franchise and for our lost or deferred opportunity to franchise others.

4.2 Royalty Fees. During the Term, you shall pay a continuing royalty fee in the amount set forth in Exhibit A-1 ("**Royalty Fees**"), at such time, for such periods, and in such manner as specified herein, or as otherwise specified by us; provided, however, that in no event shall the Royalty Fees be less than the minimum royalty set forth in Exhibit A-1 (the "**Minimum Royalty Fees**"). The Minimum Royalty Fees are subject to an annual CPI adjustment increase as set forth in Section 4.12. You shall not be required to pay the Minimum Royalty Fees until the sixth ($6^{th}$) month anniversary of the Effective Date. Subject to the Minimum Royalty Fees, you shall pay the Royalty Fees, on a weekly basis, which shall become due and payable on the Thursday of the eighth (8th) week after Effective Date, or as otherwise described in Exhibit A-1 ("**Royalty Fees Due Date**") based on the Gross Sales of the Franchised Business as reported or adjusted in our customer relationship management software, or other software or system of record we designate at our sole option, for the week that occurred eight (8) weeks prior to the Royalty Fees Due Date, or for such other period as we may specify in the Manual or otherwise in writing. For the avoidance of doubt, your obligation to pay Royalty Fees begins upon the Effective Date of this Agreement, but your obligation to pay Minimum Royalty Fees does not begin until the time set forth above.

4.3 The term "**Gross Sales**" means the sum value of executed customer contracts, total service revenues, and any other non-contracted revenues of every kind and nature related to, derived from, or originating from the Franchised Business, including, without limitation, all sales of residential or non-residential bathroom remodeling services and related products; provided, however, that "Gross Sales" excludes any customer refunds, sales taxes, and/or other taxes collected from customers by you and actually transmitted to the appropriate taxing authorities. We reserve the right, at our sole option and in our sole discretion, to modify our policies and practices regarding contract and sales reporting and the inclusion or exclusion of certain sales from "Gross Sales" as circumstances, business practices, and technology change.

4.4 All payments required by Section 4 and Section 10 below are based on Gross Sales and shall be invoiced, paid, and submitted so as to be received by us the Thursday of the eighth (8th) week after the date of execution of the customer contract. You shall deliver to us any and all reports, statements and/or other information required under this Section and Section 9 below, at the time and in the format reasonably requested by us, which may include electronically polled or sourced data directly from your POS System. We may, at our option, change from time to time our manner, method, and timing of providing invoices to you. For example, we may, at our sole option, consolidate and otherwise combine any amounts due and payable, regardless of their due date, into one or more singular monthly or weekly statements, or by or at such other time periods as we may determine from time to time, which in our sole opinion allows for greater administrative efficiency in the collection of outstanding monies due and payable. Such changes regarding the timing of invoicing will not waive or otherwise modify any due date, report requirement, or other obligation under this Agreement. If requested by us, you shall establish an arrangement for electronic funds transfer or deposit of any payments required under Sections 4 or 10. You shall execute a form of EFT Authorization that we designate, and you shall comply with the payment and reporting procedures specified by us in the Manual. Accordingly, contemporaneously with the execution of this Agreement, you shall execute Exhibit E. Such policies and procedures may require that you close your books for any period not later than the date we designate in writing, and have sufficient funds in your account by the Wednesday of each week as the EFT process may sweep such account the day before for payment on the preceding day. If you make any payments to us under this Agreement by check, and such check is returned to you without having made payment to us, or if there are insufficient funds in your account to complete the required electronic funds transfer or deposit, then in addition to all other rights and remedies available to us and not as an election of remedies, we shall have the right to charge you a fee of One Hundred Dollars ($100) plus any amounts charged to us by our bank, for each such returned check and/or each instance of insufficient

funds. We also may resubmit EFT payment processing requests, but will not do so until the second business day after the insufficient funds notice received from your bank. Your obligations for the full and timely payment of Royalty Fees and the Advertising Contribution (as defined in Section 10.2 below), and all other amounts provided for in this Agreement, shall be absolute, unconditional, fully earned, and due upon your generation of Gross Sales. You shall not for any reason delay, withhold, or set off the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims you may allege against us, the Advertising Fund, or others.

4.5 Minimum Annual Sales. The Franchised Business must generate the minimum annual Gross Sales ("**Minimum Annual Gross Sales**") set forth in Exhibit A-1 during each year in the term of this Agreement. If the Franchised Business fails to generate the Minimum Annual Gross Sales, you may cure this default by immediately paying to us the difference between the total Royalty Fees or Minimum Royalty Fees that you actually paid and the Royalty Fees that you would have paid if you had met the Minimum Annual Gross Sales (the "**Minimum Annual Gross Sales Deficiency Fee**").

4.6 Technology Fee. You must pay us a monthly technology fee ("**Technology Fee**") in its then-current amount for access to and/or use of technology systems, services, platforms, and software that we require you to obtain or access from or through us or a third-party provider through a sub-license through us, as we deem necessary and advisable in our sole determination, which may include, but is not limited to licenses, subscriptions, development, maintenance, and/or access to point-of-sale system, software, and platform, intranet, online ordering system, an email address, Other Required Software, and/or any aspects of the Computer System or POS System we designate, as well as reasonable labor and overhead costs and margin for us to service, maintain, and administer the technology. We reserve the right to change, add to, remove from, or substitute the types, nature, and ultimate vendor of technology systems, services, platforms, and software that you must obtain or access from or through us. We may increase or otherwise change the amount of the Technology Fee upon prior written notice to you, including upon changes in the technology systems, services, platforms, and software that you must obtain or access through or from us or changes in our costs regarding such technology systems, services, platforms, and software, provided we will not increase the amount of the Technology Fee more than twice per year. Upon providing you written notice, we may change the frequency of the Technology Fee from monthly to quarterly or annually or as otherwise directed in our sole determination. We may update our Manuals to reflect changes in technology that we implement into the System that may increase the Technology Fee.

4.7 No Subordination. You shall not subordinate to any other obligation your obligation to pay us the Royalty Fees and/or any other fee or charge payable to us, whether under this Agreement or otherwise.

4.8 Overdue Payments and Reports. Any payment or report not actually received by us (or the appropriate advertising fund) on or before the date such payment or report is due shall be deemed overdue. If any payment or report is overdue, you shall pay us, in addition to the overdue amount, and in addition to all other rights and remedies available to us and not as an election of remedies, (a) a late payment/late report charge of one hundred and fifty dollars ($150) for each week or part thereof that the payment or report is late, and (b) interest on such amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies we may have.

4.9 Payments on Your Behalf. You shall pay to us, within fifteen (15) days of any written request by us which is accompanied by reasonable substantiating material, any monies which we have paid, or have become obligated to pay, on your behalf, by consent, by operation of law, or otherwise under this Agreement.

4.10 Other Payments. All other payments and fees owed by you to us shall be paid by you in the manner and within the time periods as provided for in this Agreement, any Exhibit, or in the Manual. We reserve the right to collect all fees and payments due by you by electronic funds transfer as provided for in Section 4.4 or otherwise in the Manual.

4.11 Withholding of Payments. You shall not, on grounds of any alleged non-performance by us or others, withhold payment of any fee, set off any fee, or otherwise delay payment of any fees or financial obligations, including Royalty Fees or the Advertising Contribution, nor withhold or delay submission of any reports due hereunder including Sales Reports. If you delay, withhold, or set off any payments due and owing to us or our affiliates under this Agreement, you will be deemed to be in default of this Agreement and subject to termination in accordance with Section 14.2.12 of this Agreement, and any credit or payment terms that had been extended by us to you for product purchases will be immediately revoked and any and all outstanding invoices, debts, or monies due to us or our affiliates will become immediately due and payable.

4.12 Consumer Price Index. Without limiting anything contained in this Agreement, all fees, contributions, and dollar amounts referred to in this Agreement may be increased periodically by us, but in no event more than once during each of our fiscal years, to reflect increases in the Metropolitan Area Consumer Price Index for Urban Consumers - All Items ("**CPI**"), as published by the U.S. Department of Labor, or in a successor index. Any such CPI increases to specified fees, contributions, and dollar amounts will be communicated to you in the Manual or otherwise in writing.

4.13 Invoicing and Collection Services. We reserve the right to provide back-of-the-office invoicing, billing, payment processing, and collection services for your Franchised Business. If we elect to provide such invoicing, billing, payment processing, and collection services, you must sign the addendum we prescribe describing the terms and conditions regarding such services. We contemplate that such an addendum will describe the process under which we would, among other things, collect customer payments and, from these collections (which constitute your Gross Sales): (i) deduct and collect all fees and payments owed to us or our affiliates, including Royalty Fees, Advertising Contribution, Technology Fees, and other fees or payments owed under this Agreement; (ii) collect and pay any credit card charges, collection costs, bank charges, and other related third-party fees, costs, or expenses owed by you in connection with the products and services at issue, as provided in such addendum or the Manual; and (iii) remit the remaining balance to you at the time and in the manner specified in such addendum or the Manual.

## 5. YOUR DUTIES; OPERATIONAL STANDARDS

5.1 System Standards and Specifications. You understand and acknowledge that every detail of the System under which your Franchised Business and the Re-Bath Businesses of other franchisees is operated is important to you, us, and the other franchisees in order to develop and maintain high operating standards, to increase the demand for the products and services sold by all franchisees, and to protect our reputation and goodwill. To ensure that the highest degree of quality and service is maintained, you shall operate the Franchised Business in strict conformity with such methods, standards, and specifications as we may from time to time prescribe in the Manual or otherwise in writing, in whatever manner we prescribe.

5.2 Pre-Opening Obligations. Before commencing any construction or site improvement of the Franchised Business, you, at your expense, shall comply to our full satisfaction with all of the following requirements:

5.2.1 You shall comply, at your expense, with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA, regarding the construction and design of the Approved Locations.

5.2.2 You shall be responsible for obtaining any necessary zoning classifications and clearances which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to the Approved Locations.

5.2.3 You shall obtain all permits and certifications required for the lawful construction of the Approved Locations (and the acquisition of all Vehicles (as defined below), and the operation of the Franchised Business. You shall provide copies of all such permits and certificates to us within ten (10) days of our request for same.

5.2.4 You shall employ a qualified licensed general contractor to construct your Franchised Business and to complete all improvements. You shall obtain and maintain in force during the entire period of construction the insurance required under Section 11 below; and you shall deliver to us such proof of such insurance upon our request.

5.2.5 You shall secure an Approved Location or Approved Locations of which we have approved and execute the lease(s) for such Approved Locations not later than sixty (60) days after the Effective Date. Upon our request, you shall provide to us copies of (i) the leases for the premises and executed Lease Riders and (ii) the landlord's(s') and property management company's notice address and contact information.

5.3 Franchised Business Opening; Commencement of Operations from Showroom. Prior to your Soft Opening (defined below), you shall comply with all pre-opening requirements set forth in this Agreement, the Manual, and/or elsewhere in writing by us. Time is of the essence. You must commence operations of the Franchised Business at the Approved Locations according to the following timeline:

5.3.1 Before you have completed the construction, furnishing, and equipping of the Showroom according to our standards and specifications, as described in Section 5.3.2 below, you may begin contacting potential customers to offer and sell residential bathroom remodeling services and related products ("**Soft Opening**" or **"Open"**). You must provide us with written notice of the anticipated date of your Soft Opening at least thirty (30) days in advance. You may not conduct your Soft Opening until you have first: (i) completed System Training, (ii) secured and outfitted an operational Warehouse at the Warehouse Approved Location and Office at the Office Approved Location, (iii) commenced and made substantial progress on construction or renovation of your Showroom, and (iv) obtained our written approval for your Soft Opening.

5.3.2 Within six (6) months after signing the lease or otherwise acquiring the Approved Showroom Location, you must complete the construction, furnishing, and equipping of the Showroom Approved Location according to our standards and specifications, as set forth in the Manual or otherwise in writing (which may require certain fixtures, furnishings, equipment, décor, color schemes, signage, vignettes, products, displays, marketing collateral, and other items, and which may prohibit certain other products or other items, all at our option). Within eight (8) months after the Effective Date, you must commence operating the Franchised Business from the Showroom Approved Location (the **"Grand Opening"**). Notwithstanding the foregoing, you may not commence operating the Franchised Business from the Showroom Approved Location until you have obtained our written approval to do so.

5.4 Additional Franchised Business Opening Requirements. In connection with the opening of the Franchised Business:

5.4.1 You shall provide at least fourteen (14) days' prior notice to us of the date on which you propose to first Open the Franchised Business.

5.4.2 You shall not operate the Franchised Business from any of the Approved Location(s) without our prior written approval. You shall provide us with such evidence as we may request to determine whether an Approved Location meets our standards and specifications to commence operations, including photos, copies of permits or licenses, and copies of other documents.

5.4.3 You shall not Open the Franchised Business until the Operating Owner and Manager (defined in Section 5.28.4(b) below) have successfully completed all training required by us, and you have hired and trained to our standards a sufficient number of employees to service the anticipated level of the Franchised Business's customers.

5.4.4 You shall not Open the Franchised Business until all amounts then due to us under this Agreement or any other related agreements have been paid.

5.4.5 We recommend that you conduct the Soft Opening Campaign described in Sections 10.4.1 below and require you to conduct the Grand Opening Campaign described in Section 10.4.2 below. You may not conduct the Soft Opening until you have secured an operational Warehouse and Office, and you may not conduct the Grand Opening campaign until you have opened an approved Showroom, in each instance in accordance with the requirements of Section 5.8.

5.5 Training. You acknowledge that your owners and managers must be knowledgeable regarding the System and the operation of the Franchised Business, including the types of products offered by the Franchised Business and the provision of customer service in accordance with the brand standards for the System, as set forth in the Manual or otherwise in writing, which may be modified by us from time to time. You acknowledge that successful completion of our initial and ongoing training programs by your owners and managers is critical to operate and manage the Franchised Business. The following individuals must attend and successfully complete our training programs: your Operating Owner, one (1) full-time Manager (as defined in Section 5.28.4(b) below) (collectively, the "**Highly Trained Personnel**"), and such other of your employees that we designate from time to time. Our training may require the Highly Trained Personnel to successfully complete all examinations and tests administered by us. Our current training programs and the manner in which each program must be completed shall be set forth in the Manual or otherwise in writing.

5.5.1 Prior to the Opening of the Franchised Business, the Highly Trained Personnel and any additional employees whom we designate shall attend and successfully complete, to our full satisfaction, the training program offered by us regarding business planning, marketing, and the opening timeline for your Franchised Business ("**Business Plan Training**"). The Business Plan Training shall be conducted either electronically, using phone calls, email, screen shares, or other electronic interfaces, or at such physical location as we may designate from time to time.

5.5.2 Prior to the opening of the Franchised Business, the Highly Trained Personnel and any additional employees whom we shall have the right to designate for attendance at our training, shall attend and successfully complete, to our full satisfaction, the sales training program offered by us ("**Sales Training**"). A portion of the Sales Training shall be conducted electronically, using phone calls, email, screen shares, or other electronic interfaces, and a portion of the Sales Training shall be conducted at our corporate location. We may also conduct Sales Training at such alternate locations as we may designate from time to time.

5.5.3 Prior to the opening of the Franchised Business, the Highly Trained Personnel and any additional employees whom we designate for attendance at our training, shall attend and successfully complete, to our full satisfaction, the initial product installation training program offered by us ("**Installation Training**"). A portion of the Installation Training shall be conducted electronically, using

phone calls, email, screen shares, or other electronic interfaces, and a portion of the Installation Training shall be conducted at our corporate location. We may also conduct Installation Training at such alternate locations as we may designate from time to time.

5.5.4 Prior to the opening of the Franchised Business, the Highly Trained Personnel and any additional employees whom we designate, shall attend and successfully complete, to our full satisfaction, training on the critical components of our System (which may include, for instance, marketing tools and programs, financial reporting, and certain software applications) ("**Additional System Training**"). The Additional System Training shall be conducted either electronically, using phone calls, email, screen shares, or other electronic interfaces, or at such physical locations as we may designate from time to time.

5.5.5 Each calendar year, at least one of your Highly Trained Personnel and any additional employees whom we shall have the right to designate shall attend and successfully complete, to our satisfaction, the annual certification program offered by us ("**Annual Certification Training**"), at our corporate headquarters or such other places as we designate at our option, and shall be of such duration as we may designate. You must pay our then-current fee for each person who attends the Annual Certification Training.

5.5.6 Each calendar year, your Operating Owner shall attend our annual retreat ("**Owner's Retreat**"). You must pay our then-current fee for each person who attends the Owner's Retreat.

5.5.7 In addition, we may, from time to time, at our option, hold seminars, classes, conferences and additional training for Highly Trained Personnel and any additional employees whom we have the right to designate for attendance at our training, which may be mandatory or optional at such places as we designate.

5.5.8 You will be responsible for training your employees in accordance with our System, standards, specifications, and training. Prior to the opening of the Franchised Business, and prior to training any of your employees on our System, standards, specifications, and operation of the Franchised Business, the Operating Owner and at least one other Highly Trained Personnel must attend and complete, to our full satisfaction, the training certification program offered by us ("**Trainer Training**"). A portion of the Trainer Training shall be conducted electronically, using phone calls, email, screen shares, or other electronic interfaces, and a portion of the Trainer Training shall be conducted at our corporate location. We may also conduct Trainer Training at such alternate locations as we may designate from time to time. Thereafter, you must retain at all times at least two management-level personnel (including the Operating Owner) who have completed Trainer Training and who will be responsible for providing training to your other employees. We may, at our option, require your Operating Owner and at least one other Highly Trained Personnel to attend refresher Trainer Training from time to time as we designate.

5.5.9 All your installers and salespersons must successfully complete our certification process by successfully completing the training programs we have developed for those roles. If, in our reasonable judgment, you fail to properly train your employees in accordance with this Section 5.5.9 or with Section 5.5.8, we may prohibit you from training additional employees and either require them to attend training at our headquarters or such other locations as we may designate for a fee, or pay a fee in addition to our costs and expenses to send one of our trainers to your location to train the employees.

5.6 Training Fees and Expenses. For all training programs, we may require you to pay our then-current fee for each of your representatives that attends training, except that we will not charge you a fee for: (a) Business Plan Training, (b) Additional System Training, (b) up to two (2) of your staff to attend the Installation Training, (c) initial Trainer Training for the Operating Owner and one additional Highly

Trained Personnel (but not any refresher or replacement Trainer Training), and (d) up to two (2) of your staff to attend the Sales Training. Training Fees may vary from program to program. For any training programs that take place at your location, we may require you to pay a fee for each of the trainers that are sent to conduct training. In addition, you shall pay for all out-of-pocket expenses, including all expenses for food, lodging, travel and living expenses, for all employees sent to training programs or to the Annual Retreat, and for all trainers that travel to your location to conduct training. If you request that we provide training in addition to that described in Section 5.5 above, whether on-site or at our facilities, and we opt to do so, then you shall pay our then-current charges and out-of-pocket expenses, which shall be as set forth in the Manual or otherwise in writing.

5.7 Supervision of the Franchised Business and Replacement Training. All aspects of the Franchised Business shall be conducted under the management and supervision of the Operating Owner. In addition, the daily operations of the Franchised Business shall be supervised under the active full-time management of one or more of the Highly Trained Personnel who has successfully completed (to our satisfaction) our initial training program. If any of the Highly Trained Personnel cease active management of or employment at the Franchised Business, you shall enroll a qualified replacement (who shall be reasonably acceptable to us) in our initial training program (including our System Training and our Installation Training) not more than thirty (30) days after the cessation of the former person's full-time employment and/or management responsibilities. The replacement shall attend and successfully complete the basic management training program, to our reasonable satisfaction, prior to such person's first day of work at the Franchised Business. If your Operating Owner or any of the Highly Trained Personnel who completed Trainer Training cease active management of or employment at the Franchised Business, you shall enroll a qualified replacement (who shall be reasonably acceptable to us) in our Trainer Training program not more than thirty (30) days after the cessation of the former person's full-time employment and/or management responsibilities. The replacement shall attend and successfully complete the Trainer Training, to our reasonable satisfaction, before such person provides any training to any of your other employees. You shall pay our then-current charges to train qualified replacements.

5.8 Showroom and Warehouse Premises. You shall maintain a showroom to display the Re-Bath products and services for sale (the "**Showroom**"), a warehouse to store products and materials (the "**Warehouse**"), and an office (the "**Office**"). The Franchised Business may be operated from a single retail or warehouse space combining the showroom, warehouse, and office operations or in different locations separating such operations; provided that the Showroom has a separate entrance and that the layout of the Showroom premises facilitates a customer experience that is consistent with our brand standards and guidelines set forth in the Manual or elsewhere in writing. You shall use the Showroom, Office and Warehouse premises solely for the operation of the Franchised Business, and shall refrain from using or permitting the use of the Showroom, Office and the Warehouse premises for any other purpose or activity at any time. The Showroom, Office, and Warehouse premises must be kept current with then-current brand standards as set forth in the Manual. You agree to purchase and install, at your expense, all fixtures, furnishings, equipment, decor, and signs as we shall specify from time to time; and to refrain from installing or permitting to be installed on or about the premises of the Approved Locations, without our prior written consent, any fixtures, furnishings, equipment, decor, signs, or other items not previously approved as meeting our standards and specifications. For the avoidance of doubt, you shall not display or in any way promote products or services that have not been approved by us for promotion and display in the Showroom or otherwise in connection with the Franchised Business. Any products or services that we have discontinued, at our sole option, must be removed from the Showroom and Warehouse premises before the deadline we specify in the Manual or otherwise in writing, which deadline will generally be six (6) months from the date we announce such discontinuance. Any new required products or services must be added to the Showroom and Warehouse premises by the deadline we specify in the Manual or otherwise in writing, which deadline will generally be twelve (12) months from the date we announce such new product requirement. You shall keep the Franchised Business open and in normal operation for such hours and days

as we may from time to time specify in the Manual or as we may otherwise approve in writing. During customary business hours, you shall not use a telephone answering service or an answering machine. After customary business hours, you shall use a telephone answering service acceptable to us. As used in this Section 5.8, the term "**premises**" shall include the grounds surrounding the Approved Locations. You shall comply with all terms and conditions of the leases for the Franchised Business, and shall promptly provide us with copies of all notices of default or breach of the leases, notices regarding the renewal or extension of the leases, and all other notices or correspondence related to your compliance with the leases and your right to remain in possession of the premises. You shall not operate the Franchised Business from any location other than the Approved Locations and the Vehicles, including a trailer or other mobile showroom, without our prior written consent. You shall not relocate any of the Approved Locations without our prior written consent, and any relocation must be within your Protected Territory. We shall have the right to grant or withhold consent of the Approved Locations. In connection with our consent to the Approved Locations, you shall execute, and cause the landlord to execute, the Lease Riders appended hereto as Exhibit F for each of the Approved Locations. You acknowledge and agree that our consent to your proposed locations does not constitute any assurance, representation, or warranty of any kind, as further described in Paragraph 5 of the Site Selection Addendum.

5.9 Franchised Business Maintenance. You shall at all times properly maintain the Franchised Business (including all Vehicles (as defined below)), and in connection therewith shall make such additions, alterations, repairs, and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including installation of, or modification to, displays of new or modified products and such periodic painting or replacement of obsolete signs, furnishings, equipment, and decor as we may reasonably direct. To protect and promote the goodwill associated with the Marks and the System, the Showroom must be maintained in a manner that is clean, orderly, and professional.

5.10 Vehicles. You shall acquire (by purchase or lease) and use in connection with the operation of the Franchised Business such number of vehicles as reasonably anticipated to meet customer demand (the "**Vehicles**"). The Vehicles (i) shall be of such make and model and color, (ii) shall be equipped in such manner, and (iii) shall bear such signage and Marks as we may prescribe, in such manner as we may prescribe, as indicated by us in the Manual or otherwise in writing. You shall at all times maintain all Vehicles used in connection with the Franchised Business in a clean and safe condition and repair, and in no event less than the manufacturer's recommended maintenance. You shall ensure that all Vehicles used in connection with the Franchised Business are fully licensed and commercially insured according to state and local requirements and operated by a driver validly licensed and insured to operate such Vehicles. You shall use the Vehicles solely for the operation of the Franchised Business and refrain from permitting the use of the Vehicles for any other purpose or activity at any time.

5.11 Remodeling. In addition to the maintenance obligations set forth in Sections 5.9 and 5.10, you shall undertake such periodic and ongoing remodeling and upgrading of the Showroom Approved Location and the Vehicles, including furniture, fixtures, equipment, décor, signage and trade dress, as required by us in the Manual or otherwise in writing. Without limiting the foregoing, not sooner than three (3) years nor later than five (5) years after the date upon which the Franchised Business opens for business, and again as a pre-condition to renewal pursuant to Section 2.2.3 above, you shall refurbish the Franchised Business, (including the Showroom Approved Location, and the Vehicles) at your expense to conform to the interior design, trade dress, signage, furnishings, decor, color schemes, and presentation of the Marks in a manner consistent with the image then in effect for new Re-Bath Businesses, including remodeling, redecoration, and modifications to existing improvements, as we may require in writing (collectively, "**Facilities Remodeling**"). Any Facilities Remodeling shall be performed according to and maintained to any standards or programs as defined in the Manual.

5.11.1 You shall not be required to engage in Facilities Remodeling more than once every three (3) years during the term of this Agreement, and you shall not be required to spend more than Fifty Thousand Dollars ($50,000) for all such Facilities Remodeling during any consecutive three-year (3-year period); provided, however, that such dollar limitation shall be increased during the initial term of this Agreement by an amount equal to any increase in the Consumer Price Index over the same period, as measured by the Consumer Price Index (1982-84=100: all items; CPI-U; all urban consumers) published by the U.S. Bureau of Labor Statistics (or if the Index is no longer published, a successor index that we may reasonably specify in the Manual or otherwise in writing), with any such adjustment to be calculated by multiplying the fixed dollar amount by a fraction the numerator of which is the CPI for the year and month of the adjustment, and the denominator of which is the CPI as of January 1 of the year this Agreement is signed. In addition, we may require Facilities Remodeling more often if such Facilities Remodeling is required as a pre-condition to renewal as described in Section 2.2.3 above.

5.11.2 The limitation on the frequency, scope or expense of Facilities Remodeling shall not include repair to, or the normal upkeep of, the Showroom, the Warehouse, and the Office premises or the Vehicles (as set forth in Sections 5.9 and 5.10 above), or the costs to display new or modified products including modifications to the colors, textures, and finishes of products.

5.11.3 In addition to the specific requirements for the timing of remodeling set forth above, you shall have six (6) months after receipt of our written notice, along with the specifications for such Facilities Remodeling, within which to complete any other Facilities Remodeling.

5.12 Personnel. You agree to maintain a competent, conscientious, trained staff in numbers sufficient to meet any customer service, installation, or other standards or programs defined in the Manual ("**Service Level Agreements**") including a full-time Manager, and to take such steps as are necessary to ensure that your employees preserve good customer relations and comply with such dress code as we may prescribe. To ensure compliance with brand standards for the System, any individual who provides products or services to customers of the Franchised Business, or who otherwise interacts with customers of the Franchised Business, must be your employee (or an employee of the Franchised Business) and must not be an independent contractor. You shall comply with all applicable employment and wage and hour laws and regulations. You are solely responsible for all employment decisions and functions of the Franchised Business including those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, scheduling, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you receive advice from us on these subjects. You acknowledge and agree that all personnel decisions, including hiring, firing, disciplining, compensation, benefits, and scheduling, shall be made by you and such decisions and actions shall not be, nor be deemed to be, our decision or action. Further, it is the intention of the parties to this Agreement that we shall not be deemed a joint employer with you for any reason. If we incur any cost, loss, or damage as a result of any of your actions or omissions, including any that relate to any party making a finding of any joint employer status, you will fully indemnify us for such loss.

5.13 Products and Services. With regard to the products and services offered by or used in connection with the operation of the Franchised Business, you agree:

5.13.1 To maintain in sufficient supply, and to use in connection with the operation of the Franchised Business and/or sell at all times only such products, materials, supplies, and services as have been formally approved by us and that have been supplied to you by vendors approved by us, as set forth in the Manual or otherwise in writing, any of which we may change from time to time at our option.

5.13.2 To sell or offer for sale only, and all, such products and services as have been expressly approved for sale in writing by us. You agree and acknowledge that our approval may include,

among other things, designation of brands and models; to refrain from any deviation from our standards and specifications, including the manner of preparation of products, without our prior written consent; and to discontinue selling and offering for sale any products which we disapprove, in writing, at our option at any time. You must obtain any materials that display our Marks only from us or from suppliers we designate, unless we authorize you in writing to utilize an alternative supplier in accordance with Section 5.14 below.

5.13.3 To fully and faithfully comply with all applicable governing authorities, laws and regulations. You shall immediately close the Franchised Business and terminate operations in the event that: (i) any products sold at the Franchised Business evidence deviation from the standards set for products by us; (ii) any products sold at the Franchised Business fail to comply with applicable laws or regulations; or (iii) you fail to maintain the products, the premises of the Approved Locations, equipment, personnel, or operation of the Franchised Business in accordance with any applicable law or regulations. In the event of such closing, you shall immediately notify us in writing and you shall destroy immediately in accordance with procedures set forth in the Manual, or otherwise in writing by us, all products which you know, or should know through the exercise of reasonable care, to be unsafe, or otherwise unfit and eliminate the source thereof, and remedy any unsafe, or other condition or other violation of the applicable law or regulation. You shall not reopen the Franchised Business until after we have inspected, or we have notified you of our decision not to inspect, the premises of each of the Approved Locations, and we have determined that you have corrected the condition and that all products sold at the Franchised Business comply with our standards.

5.14 Suppliers. You shall purchase all products, systems, technology, supplies, materials, and services used by you in the operation of the Franchised Business or otherwise offered for sale at the Franchised Business solely from suppliers that we have approved in the Manual or otherwise in writing, which we may modify from time to time at our option. In determining whether we will approve any particular supplier, we shall consider various factors, including a supplier who can demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; who possesses adequate quality controls and capacity to supply your needs promptly and reliably; who would enable the System, in our sole opinion, to take advantage of marketplace efficiencies; and who has been approved in writing by us prior to any purchases by you from any such supplier, and have not thereafter been disapproved. For the purpose of this Agreement, the term "**supplier**" shall include, but not be limited to, manufacturers, distributors, resellers, and other vendors. Notwithstanding anything to the contrary contained in this Agreement, we shall have the right to appoint only one (1) manufacturer, distributor, reseller, and/or other vendor for any particular items or services, and we may so designate our self or our affiliates, who may earn a profit on the sale of any such items or services.

5.14.1 If you wish to purchase or install any products, services or any items from any supplier not then approved by us, you shall first submit to us a written request for such approval. You shall not purchase or install any products or obtain or use any services from any supplier until, and unless, such supplier has been approved in writing by us.

5.14.2 Nothing in the foregoing shall be construed to require us to approve any particular supplier.

5.14.3 We may, at our option, negotiate on behalf of the entire Re-Bath Business network for the purchase of products and services and you acknowledge and agree that we and our affiliates may earn revenue or rebates from the purchase of such products and services. Further, you acknowledge and agree that, at our sole option, we may establish one (1) or more strategic alliances or preferred vendor programs with one (1) or more nationally or regionally-known suppliers who are willing to supply all or some Re-Bath Businesses with some or all of the products and/or services that we require for use and/or sale in the

development and/or operation of Re-Bath Businesses. In this event, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use for some or all products and services, and/or refuse any of your requests if we believe that this action is in the best interests of the System or the franchised network of Re-Bath Businesses. We shall have unlimited discretion to approve or disapprove of the suppliers who may be permitted to sell products to you and the customer.

5.14.4 You shall comply with all terms, conditions, and obligations of all contracts and arrangements with suppliers, including contracts and arrangements negotiated by us or third parties as part of a network or multiple-franchise or multiple-Re-Bath Business supply and distribution arrangement, and your contracts with and obligations to suppliers. You shall promptly pay all suppliers in accordance with the agreed-upon terms. In the event you fail to promptly pay one (1) or more suppliers as required, we may, but are not required to, pay such supplier(s) on your behalf, and you shall promptly reimburse us for such payment following notice from us, or we may obtain payment through the EFT process described in Section 4 above and the Manual.

5.15 Reselling of Products. You shall neither sell nor resell products to other franchisees or any other individuals or entities other than the end consumer.

5.16 Warranties. You must comply with the policies relating to warranties that we designate from time to time in the Manual or otherwise in writing. Our current warranty requirements include:

5.16.1 *Product Warranties.* We or our affiliates will provide a Product Warranty to your customers on all products that we and they manufacture that is reasonably competitive with the warranties offered on similar products by third parties. At the time of installation of any product that is covered by the Product Warranty (as defined in Section 11.2), you shall deliver a copy of the then-current Product Warranty to the customer. The warranties provided by us or our affiliates are subject to change, upon written notification to you by us.

5.16.2 *Workmanship Warranties.* You must provide a full workmanship warranty to your customers with respect to all workmanship and installation services provided by you, which you shall be solely responsible for servicing and fulfilling at your own expense ("**Workmanship Warranty**"). You must include in your customer agreement a provision stating that the Workmanship Warranty is provided solely by you, that you are an independently owned and operated company separate from us, and that the Workmanship Warranty is not offered or provided by us or any other third party. You must comply with the policies and procedures relating to the Workmanship Warranty that we may specify in the Manual or otherwise in writing including our specifications regarding the duration of such warranty. You must offer such other warranties as we may designate from time to time.

5.16.3 *Servicing Warranty Claims*. You must service and successfully resolve all Product Warranty and Workmanship Warranty claims from (a) customers within your Protected Territory, regardless of who provided the original installation services, and (b) customers for whom you provided the original installation services, regardless of whether the customer is located inside or outside of your Protected Territory. Such claims will be serviced in accordance with our then-current Warranty Credit Policy whereby you may receive certain product discounts and labor credits for the work you conduct on the claims. You must comply with the policies and procedures set forth in the Manual or otherwise in writing for servicing warranty claims and calls.

5.16.4 *Resolution.* Except as provided in Sections 5.16.5 and 5.18, you shall promptly, fully, and courteously respond to and resolve all customer complaints and warranty claims regarding installation and workmanship to our full satisfaction. In addition, you will provide all customers with the Product Warranty, as well as the Workmanship Warranty. You will disclose to all customers any and all

product warranty information provided by suppliers and manufacturers of all products sold and/or installed by you.

5.16.5 *Our Rights.* We shall have the right, but not the obligation, to respond to and settle or otherwise resolve any warranty claims directly or through our designee, to manage all disputes and to control all arbitration and litigation (including any settlement or other resolution) relating thereto as we deem appropriate, however, you shall reimburse us for all fees, costs, and expenses that we incur in connection with such warranty claims, disputes, arbitration and litigation within thirty (30) days of your receipt of our invoice.

5.17 Inspections. You grant us and our agents the right to enter upon the premises of the Approved Locations, and all Vehicles, at any time for the purpose of conducting inspections, for among other purposes, preserving the validity of the Marks, and verifying your compliance with this Agreement and the policies and procedures outlined in the Manual or otherwise in writing. We shall also have the right to take and maintain, or request that you take and deliver to us, photographs and videos, in any medium, of the Franchised Business and the operations at the Franchised Business. You shall cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents and without limiting our other rights under this Agreement, you shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection.

5.18 Standards of Operation and Customer Service. You agree that quality of workmanship, customer service, customer relations, warranty service, the appearance and demeanor of you and your employees, and materials utilized by you are important to us and the System. To promote a consistent brand experience, all your interactions with customers, vendors, suppliers and the public shall adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct, and you shall pay all vendors, suppliers and other creditors promptly when due. You shall respond to and resolve any dissatisfied customer complaints within any time periods, and per any standards, specified in the Manual. If you are unable to resolve a customer's complaint within fourteen (14) days after receipt of such complaint, you shall contact us for assistance in handling the complaint. In no event shall our assistance be construed to make us liable to you or to such customer in connection with a complaint. We shall also have the right, but not the obligation, to respond to and settle or otherwise resolve any complaints, to manage all disputes and to control all arbitration and litigation (including any settlement or other resolution) relating thereto as we deem appropriate. You shall reimburse us for all fees, costs, and expenses that we incur in connection with such complaints, disputes, arbitration and litigation within thirty (30) days of your receipt of our invoice, including the cost of any judgments, settlements, refund or other payments to a customer and the costs of services performed by us or any franchisee that performs services for a complaining customer after being authorized by us to perform such services. We may at any time contact customers of the Franchised Business concerning the quality of services, the level of customer satisfaction, or other aspects of the Franchised Business that we deem relevant.

5.19 Customer Satisfaction Program. You agree to comply with our customer satisfaction program or programs, as described in the Manual, and such related programs and future changes and additions to such programs as we may require from time to time, which may include, customer surveys or secret shopper programs. The customer satisfaction program may involve the implementation of a reasonable scoring system. Your failure to achieve a customer satisfaction score that meets our standards and specifications, as stated in the Manual and as may be modified by us from time to time, shall be a default under this Agreement.

5.20 Technology, Computer System, and Software Licenses. We may require you to send and receive emails and transmit periodic communications, transactions, and reports through such computer systems as we may designate. We may require you to use or not to use computer systems, software,

hardware, and other technology at our sole designation. We shall have the right to specify or require that certain brands, types, makes, and/or models of technology systems, services, platforms, communications, computer systems, hardware, and software be used by, between, or among Re-Bath Businesses and us including but not limited to: (a) back office and point-of-sale systems, software, and platform (including the POS System), customer relationship management ("**CRM**") systems, learning management software ("**LMS**") application, accounting systems and software, sales and financial information reporting software, expense reporting and invoice collection software, sales presentation software, sales enable tools, franchise management applications, e-commerce software, business software, digital mapping applications, business intelligence software, talent management software, reporting and data exchange systems, data, audio, video, and voice storage, retrieval, and transmission systems for use by the Franchised Business, between or among Re-Bath Businesses, and between and among the Franchised Business and us and/or you; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) e-mail systems, including an email address; (f) reputational software; (g) regulatory or permitting software to ensure compliance with laws or the requirements of our National Accounts; (h) Internet access mode and speed; (i) intranet; (j) online ordering system; and (k) Other Required Software (collectively, the "**Computer System**"). We have the right to collect any fees or charges relating to the Computer System and software licenses, or components thereof, directly from you, including as part of a Technology Fee under Section 4.6.

5.20.1 You shall purchase or lease, and thereafter install, use and maintain, a Computer System that complies with our requirements, specifications and policies concerning the use of technology, as they may be specified in this Agreement, or specified or modified in the Manual or otherwise in writing. You agree that your Computer System may only be used for the Franchised Business and may not be used for any other purpose. You also agree that we may require you to sign a separate service provider or license agreement in a form we designate in order to use the Computer System. Once the Franchised Business is open, you must install, use, and maintain the Computer System at the times and in the manner that we designate.

5.20.2 We shall have the right at any time to retrieve and use such data and information from your Computer System (including the POS System and/or cash registers) that we deem necessary or desirable, including the uses identified in Section 9.5 below. You will provide us access to any Computer System (including the POS System) information and data, at such times and in such manner as established by us, with or without notice, to retrieve such transaction information, including customer, sales, sales mix, usage, customer contracts, and Gross Sales data, and other operations data as we deem appropriate. In view of the contemplated interconnection of computer systems and the necessity that such systems be compatible with each other, you agree that you shall strictly comply with our standards and specifications for all item(s) associated with your Computer System, and will otherwise operate your Computer System in accordance with our standards and specifications. To ensure full operational efficiency and optimum communication capability between and among equipment and computer systems installed by you, us, and other franchisees operating under the System, you agree, at your own expense, that you shall keep your Computer System in good maintenance and repair, and, at your own expense, you shall promptly install such additions, changes, modifications, substitutions and/or replacement to your computer hardware, software, network cables, telephone and power lines, and other related facilities, as we direct periodically in writing. You shall provide to us, upon our request, all customer leads, e-mail lists and customer lists used or maintained by you on the Computer System or elsewhere. You agree to pay for, implement and periodically upgrade and make other changes to the Computer System and Other Required Software as we may reasonably request in writing (collectively, "**Computer Upgrades & Technology Enhancements**").

5.20.3 We shall have the right to develop or have developed for you, or designate as required, any or all of the following: (a) pre-loaded or standalone computer software programs and accounting system software that you must use in connection with the Computer System ("**Other Required**

**Software**"), which we or you must install; (b) updates, supplements, modifications, or enhancements to the Other Required Software, which we or you must install; (c) the tangible media upon which such you must record or receive data; (d) the database file structure of your Computer System; and (e) an Extranet for informational assistance, which may include the Manual, training other assistance materials, and management reporting solutions. We have the right, but not the obligation, to host an operating or other system for the network of Re-Bath Businesses, and to charge you a reasonable fee therefor. Such fee may be based upon a percentage of your revenue, a fee per system, a fee per employee or system user, or any other methodology we choose, or made be included as part of the Technology Fee. Any system we host and require you to use under this Section 5.20.3 will be included as part of the Other Required Software as of set forth herein.

5.20.4 Because changes to technology are dynamic and not predictable during the term of this Agreement, and in order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree: (a) that we will have the right to establish, in writing, reasonable new standards to address new technologies, whether published in the Manual or otherwise in writing, and that we have the right to implement those changes in technology into the System; and (b) to abide by our reasonable new standards as if this Section 5.20, and other technology provisions in this Agreement, were periodically revised for that purpose.

5.20.5 You agree to record all sales, customer leads, customer contracts, and customer service visits in the Computer System or other computer-based point of sale systems or cash register systems that we designate or approve in the Manual or otherwise in writing ("**POS System**") and in such manner as we may designate. The Computer System is deemed to include the POS System.

5.21 Customer Data. You agree that all data that you collect from customers and potential customers (including names, contact information, customer lists, and purchase histories) in connection with the Franchised Business ("**Customer Data**") is deemed to be owned exclusively by us and constitutes our Confidential Information, and you also agree to provide the Customer Data to us at any time that we request. You have the right to use Customer Data while this Agreement or a successor or renewal Franchise Agreement is in effect, but only in connection with operating the Franchised Business and only in accordance with the policies that we establish from time to time. You may not sell, transfer, or use Customer Data for any purpose other than operating the Franchised Business and marketing our designated products and services. However, if you transfer the Franchised Business (as provided in Section 13 below), as part of the transfer, you must also transfer use of the Customer Data to the buyer as part of the total purchase price paid for the Franchised Business.

5.22 Data Protection Obligations. For purposes of this Section 5.22, "**Personal Information**" means information that identifies, relates to, or could reasonably be linked to individuals, including but not limited to, your customers, employees and independent contractors, and business contacts. You acknowledge and agree that you will collect, process, and otherwise use Personal Information, and transfer Personal Information to us, in compliance with all applicable privacy and data security laws ("**Applicable Data Protection Laws**").

5.22.1 You agree to comply with the standards and policies pertaining to Applicable Data Protection Laws that we may designate or approve in the Manual or otherwise in writing. If there is a conflict between our standards and policies pertaining to Applicable Data Protection Laws and applicable law, you shall: (i) comply with the requirements of applicable law; (ii) immediately give us written notice of the conflict; and (iii) promptly and fully cooperate with us and our counsel in determining the most effective way, if possible, to meet our standards and policies pertaining to Applicable Data Protection Laws within the bounds of applicable law. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy.

5.22.2 You will assist us with the resolution of any request or inquiries that we receive from individuals and/or data protection regulators relating to your processing of Personal Information and, if and to the extent requested by us, cooperate with any regulators' requests.

5.22.3 You represent and covenant that you have and will maintain reasonable and appropriate physical, technical, and administrative safeguards to maintain the confidentiality, security, accuracy, integrity, availability, and authenticity of Personal Information.

5.22.4 For purposes of this Section 5.22, "**Security Incident**" means any actual or reasonably suspected unauthorized disclosure, release, access, or acquisition of Personal Information. In the event of any Security Incident, you shall notify us immediately but no later than forty-eight (48) hours after you or any of your vendors become aware of a Security Incident. Such notifications shall include, at a minimum, the following information to the extent known by you and as it becomes available: (i) detailed description of the Security Incident, (ii) the date or estimated date of the Security Incident, (iii) the date range of the Security Incident within which the Security Incident occurred, (iv) the type of Personal Information that was the subject of the Security Incident, whether the notification was delayed as a result of a law enforcement investigation, and (v) the identity of each impacted individual. You shall take immediate action to investigate the Security Incident and shall use industry standard, reasonable efforts to mitigate the effects of any such Security Incident. You shall also provide us with reasonable assistance to satisfy any legal obligations (including obligations to notify impacted individuals and any data protection regulator) of ours in relation to such Security Incident.

5.22.5 To the extent your activities require a restricted transfer (as such term is defined under Applicable Data Protection Laws) of Personal Information to us, such restricted transfer shall be undertaken pursuant to a legal mechanism for transfer as approved under Applicable Data Protection Laws (which legal mechanism may include, without limitation, the entry into standard contract clauses for restricted transfers).

5.22.6 You will make available to us all information requested by us to demonstrate your compliance with the obligations set out in this Section 5.22.

5.23 Credit Cards and Other Methods of Payment. You must comply with all applicable laws, regulations and standards governing credit-card and debit-card processing including the Payment Card Industry Data Security Standards ("**PCI DSS**") as they may be revised and modified and/or in accordance with other standards as we may specify, and the Fair and Accurate Credit Transactions Act ("**FACTA**"). You shall accept such credit cards and other methods of payment that we may designate from time to time in the Manual or otherwise in writing. We may, at our sole option, require you to use an approved merchant processor we designate from time to time in the Manual or otherwise in writing. You shall also upgrade periodically your POS System and related software, at your expense, to maintain compliance with PCI DSS, FACTA, and all related laws and regulations.

5.24 Uniforms. To promote a uniform System image, you shall require all of your Franchised Business personnel to dress during business hours in the attire specified in the Manual. You shall purchase such attire only from approved suppliers.

5.25 Prices. Subject to applicable law, Franchisor reserves the right to implement a resale pricing program (the "Pricing Program"), as outlined in the Manual. The Franchised Business will have one hundred and eighty (180) days to adopt the Pricing Program for use in the Franchised Business. The Pricing Program may include mandatory resale prices ("Prices") for curated and pre-designed product and service offerings (the "Pricing Program Offerings"), which Franchisor will make available to the Franchised Business and will include an adjustment allowance, where permissible by state law, enabling

the Franchised Business to modify the Price by a factor of ten percent (10%), greater or lesser, corresponding to whether the average household income in the Franchised Business's Protected Territory is greater or lesser than the United States Average household income for the same or similar size territory, as determined by our then-current third-party mapping and population provider (the "Customer Price Adjustment"). Subject to applicable law and not as a penalty, if the Franchised Business deviates from the Pricing Program, the Royalty Fee(s) for sold Pricing Program Offerings in violation of the Pricing Program may be increased, at our sole discretion, to the Royalty dollar value that would have been earned if the violation or deviation had not occurred. In no event will the adjustment decrease the Royalty dollar value. Notwithstanding the foregoing, the Franchisee will be in default of this Agreement and Franchisor will have the right to terminate this Agreement if the Franchised Business deviates from the Pricing Program three (3) or more times in any given twelve (12) month period evaluated on a rolling twelve (12) month basis or, in lieu of termination, Franchisor may increase the Royalty Fee to eight percent (8%) of Gross Sales for the remainder of this Agreement's then-current term. We may terminate any Pricing Program at any time.

5.26 Measurements. You are solely responsible for taking and submitting the proper and correct measurements and photograph(s) requested by us for the identification of all product orders submitted by you to us.

5.27 Compliance with Laws and Good Business Practices. You shall operate the Franchised Business in full compliance, subject to your right to contest, with all applicable laws, ordinances and regulations, including, without limitation, all government regulations relating to occupational hazards and health, state and local licensing requirements, including obtaining any licenses to provide the services or as otherwise required by our National Accounts, workers' compensation insurance, unemployment insurance, Applicable Data Protection Laws, and withholding and payment of federal and state income taxes, social security taxes, and sales taxes. All advertising and promotion by you shall be completely factual and shall conform to the highest standards of ethical advertising. You shall in all dealings with your customers, suppliers and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct, and shall comply with all consumer protection and unfair competition laws and regulations. You agree to refrain from any business or advertising practice which may be injurious to the business and the goodwill associated with the Marks and other Re-Bath Businesses. We may require you to use or not to use computer systems, software, hardware, and other technology to ensure, verify or otherwise confirm your compliance with laws and good business practice at our sole designation.

5.28 Franchisee Structure; Managing Owner, Operating Owner, and Principals.

5.28.1 Except as otherwise approved in writing by us, if you are a corporation, you shall: (i) be newly organized, and confine your activities, and your governing documents shall at all times provide that your activities are confined, exclusively to operating the Franchised Business; (ii) furnish us with a copy of your articles or certificates of incorporation and bylaws, as well as such other documents as we may reasonably request, and any amendment thereto; (iii) maintain stop transfer instructions on your records against the transfer of any equity securities and shall only issue securities upon the face of which a legend, in a form satisfactory to us, appears which references the transfer restrictions imposed by this Agreement; and (iv) maintain a current list of all owners of record and all beneficial owners of any class of your voting stock and furnish the list to us upon request, which list shall be amended to reflect changes in ownership, as permitted under this Agreement.

5.28.2 If you are a partnership or limited liability partnership you shall: (i) be newly organized, and confine your activities, and your governing documents shall at all times provide that your activities are confined exclusively to operating the Franchised Business; (ii) furnish us with your partnership agreement as well as such other documents as we may reasonably request, and any amendments

thereto; (iii) prepare and furnish to us, upon request, a current list of all general and limited partners in you, which list shall be amended to reflect changes in ownership, as permitted under this Agreement; and (iv) maintain stop transfer instructions on your records and in your partnership agreement against the transfer of partnership interests and equity securities, and shall only issue securities or partnership interests with documentation which bears a notice or legend, in a form satisfactory to us, which references the transfer restrictions imposed by this Agreement.

5.28.3 If a you are a limited liability company, you shall: (i) be newly organized, and confine your activities, and your governing documents shall at all times provide that your activities are confined, exclusively to operating the Franchised Business; (ii) furnish us with a copy of your articles of organization and operating agreement, as well as such other documents as we may reasonably request, and any amendments thereto; (iii) prepare and furnish to us, upon request, a current list of all members and managers in you, which list shall be amended to reflect changes in ownership, as permitted under this Agreement; and (iv) maintain stop transfer instructions on your records against the transfer of equity securities and shall only issue securities upon the face of which bear a legend, in a form satisfactory to us, which references the transfer restrictions imposed by this Agreement.

5.28.4 You shall designate, subject to the review and approval or disapproval by us, individuals to serve in the following positions:

(a) Operating Owner: The "**Operating Owner**" shall be a person who has not less than twenty percent (20%) of the outstanding equity interests in you and who will be responsible for the direct operation and management of the Franchised Business or for supervision of a Manager that is responsible for the operation and management of the Franchised Business. (If you are a sole proprietorship, the sole owner shall be Operating Owner.) You must provide us with written notice of the individual who will be responsible for all communications between us and you, as the person to whom, and from whom all contractually required notices must be sent, and as the principal spokesperson for you in all communications with us and other franchisees and operators in the network of Re-Bath Businesses. Such individual must be either the Operating Owner or a Manager that you designate to serve in such capacity. The written notice shall contain such information pertaining to the designated individual as we may prescribe in the Manual, or otherwise in writing. You must also provide us with written notice of any changes to such designation. The Operating Owner will be the person who has the right to contractually bind you. The Operating Owner or Manager must successfully complete all Re-Bath Business training programs, and shall be responsible for communications with us and your staff regarding all operational matters, including compliance with all Agreement and Manual requirements that pertain, in any way, to the Franchised Business. The Operating Owner shall comply with all of our standards and requirements as they may be modified from time to time in the Manual or otherwise in writing. You may designate a new Operating Owner, subject to our prior written approval, subject to the satisfaction of all of our requirements for Operating Owners in this Agreement or in the Manual, and a revision of Exhibit D.

(b) Manager: The Manager shall be responsible for the direct oversight, management, and supervision of the Franchised Business personnel on a day-to-day basis (the "**Manager**"). The Manager and the Operating Owner may be, but is not required to be, the same person, if he/she is qualified to perform both roles and duties, and is approved by us.

(c) Principals: A "**Principal**" is any person that has any direct or indirect interest in you, or in any entity that has any direct or indirect ownership interest in you. All Principals, along with their ownership interest, shall be identified in Exhibit D hereto, and any change in ownership or Principals, whether subject to Section 13 or not, shall be provided to us, in advance and in writing, and Exhibit D shall be amended to reflect all changes in Principals.

5.29 Guarantee of Performance. Each present and future Principal, including the Operating Owner, shall jointly and severally guarantee your performance of each and every provision of this Agreement by executing the Guarantee, Indemnification, and Individual Covenants in the form attached to this Agreement as Exhibit C. In addition, we may require that the spouse (or domestic partner or other immediate family member) of a Principal sign the Guarantee, Indemnification, and Individual Covenants.

5.30 Security Interest. You hereby grant us a security interest in all of the contracts and contract rights, accounts, equipment, furniture, fixtures, signage, technology, other tangible personal property and other operating assets and the general intangibles of the Franchised Business, whenever acquired, to secure the prompt payment and performance of your payment and other obligations under this Agreement and its related agreements with us or any of our Affiliates. You authorize us to file a UCC-1 Financing Statement and other documents as may be reasonably required by our attorney to perfect and record our security interest in the secured assets.

5.31 Managed Services. We and our affiliates or designees may establish and administer a program to control and direct certain centralized services intended to benefit the System, promote the Marks, and/or ensure consistency across the System and for any individual franchised business (including your Franchised Business) and/or the entire network of Re-Bath Businesses, including but not limited to Marketing Media Services described in Section 10.8, customer sales cycle programs and presentations, contact center, training, technology, customer service or other centralized services as we deem appropriate from time to time and at our option (the "**Managed Services Program**"). The Managed Services Program may be modified by us periodically in our discretion, including modification of the services that comprise the Managed Services Program. You must pay us a monthly fee for participation in the Managed Services Program. The fee is for aggregated costs and amounts owed to vendors, which may include us, our affiliates, or our designees, in connection with or related to the services we designate as part of the Managed Services Program (the "**Managed Services Fee**"). At a minimum, the Managed Services Program includes the Marketing Media Services described under Section 10.8. For the avoidance of doubt, any fees for Marketing Media Services described in Section 10.8 are deemed part of the Managed Services Fee. We may, at our sole option, change, add to, remove, or substitute the mandatory or optional services under Managed Services Program, or change required vendors for such programs or services. The Managed Services Fee may be changed periodically by us at any time at our sole option, including upon changes to the fees or amounts charged by the relevant vendors or if we change the services under the Managed Services Program.

5.32 Contact Center Program. We reserve the right to establish a contact center program. You must participate in any contact center program we establish in accordance with its then-current standards and requirements set forth in the Manual or otherwise in writing. Participation in the contact center program may include, without limitation, using and publishing a telephone number we designate, engaging a designated service provider (which may be us, our affiliate, or a third-party vendor) to answer calls, set customer appointments, and provide other related services, and acquiring, installing, and using related technology, and using designated service providers. The fees and costs of the contact center program may, at our option, be included within the Managed Services Fee or be as otherwise designated by us.

5.33 System Modifications. From time to time we may change or modify the System as we deem appropriate, including to reflect the changing market and/or to meet new and changing consumer demands, and variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of Re-Bath Businesses. Our changes to the System may include the adoption and use of new or modified, and/or the discontinuance of existing, products, services, equipment and furnishings, and the adoption of new, and the discontinuance of existing, techniques and methods relating to the sale, promotion and marketing of products and services and new or discontinued trademarks, service marks and copyrighted materials. In addition to the provisions and

limitations of Section 5, upon written notice to you, whether in a revision or addition to the Manual or otherwise in writing, you shall, upon reasonable notice, accept, implement, use and display in the operation of the Franchised Business any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at your sole expense.

## 6. PROPRIETARY MARKS

6.1 Ownership of the Marks. We represent with respect to the Marks that:

6.1.1 We are the owner of all right, title, and interest in and to the registrations of the Marks.

6.1.2 We have taken and will take all steps reasonably necessary to preserve and protect our ownership of, and validity in, the registrations of such Marks.

6.2 Use of the Marks. With respect to your use of the Marks, you agree that:

6.2.1 You shall use only the Marks designated by us, and shall use them only in the manner authorized and permitted by us.

6.2.2 You shall use the Marks only for the operation of the Franchised Business and only at the location(s) authorized hereunder, or in franchisor-approved advertising for the Franchised Business.

6.2.3 Unless we otherwise direct you in writing to do so, you shall operate and advertise the Franchised Business only under the name "Re-Bath," without prefix or suffix. Unless we otherwise direct you in writing to do so, you shall not use the Marks or any variant thereof as part of your corporate or other legal name, or as part of any e-mail address, domain name, websites or other identification in any electronic medium (including e-mail addresses, account names in a social media site, and the like). You shall execute all documents and do such things as we may prescribe to effectuate our ownership of such domain name or account. You shall comply with all instructions, procedures, standards, and specifications that we may establish, from time to time, in the Manual or otherwise in writing pertaining to your use of a "d/b/a" designation and such electronic medium identification, of which we may change, update, or modify at our sole option and in our sole discretion.

6.2.4 During the term of this Agreement and any renewal of this Agreement, you must identify yourself (in a manner designated by us in the Manual or otherwise in writing, e.g., "Independently-Owned Re-Bath Franchisee") as the independent owner of the Franchised Business in conjunction with any use of the Marks, including 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 locations on the premises of the Approved Locations and the Vehicles as we may designate in writing.

6.2.5 Your right to use the Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of our rights.

6.2.6 You shall not use the Marks to incur any obligation or indebtedness on our behalf.

6.2.7 You shall execute any documents deemed necessary by us to obtain protection for the Marks or to maintain their continued validity and enforceability.

6.2.8 With respect to any litigation, arbitration or a dispute, involving the Marks, the parties agree that:

6.2.8.1 You shall promptly notify us of any suspected infringement of the Marks, any known challenge to the validity of the Marks, or any known challenge to our ownership of, or your right to use, the Marks licensed hereunder. You acknowledge that we shall have the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. We shall also have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks.

6.2.8.2 Except to the extent that any litigation involving the Marks is the result of your use of the Marks in a manner inconsistent with the terms of this Agreement or involving any other claim against us, we agree to reimburse you for your out-of-pocket litigation costs in doing such acts and things at our direction in any litigation, arbitration, or dispute involving the Marks, except that you shall bear the salary costs of your employees, and we shall bear the costs of any judgment or settlement but only if the claim on which the judgment or settlement is made is solely related to the validity or ownership of the mark. To the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of this Agreement, you shall reimburse us for the cost of such litigation, arbitration, or a dispute (or, upon our written request, pay our legal fees directly), including attorneys' fees, as well as the cost of any judgment or settlement.

6.2.8.3 If we undertake the defense or prosecution of any litigation, arbitration, or a dispute relating to the Marks, you shall execute any and all documents and do such acts and things as may, in the opinion of our counsel, be necessary to carry out such defense or prosecution, including becoming a nominal party to any legal action.

6.3 Your Acknowledgements. You understand and acknowledge that:

6.3.1 The Marks are valid, owned by us, and serve to identify the System and those who are authorized to operate under the System.

6.3.2 Neither you nor any of your Principals shall directly or indirectly contest the validity or our ownership of the Marks, nor shall you, directly or indirectly, seek to register the Marks with any government agency, except with our express prior written consent.

6.3.3 Your use of the Marks does not give you any ownership interest or other interest in or to the Marks, except the license granted by this Agreement.

6.3.4 Any and all goodwill arising from your use of the Marks shall inure solely and exclusively to our benefit, 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 your use of the System or the Marks.

6.3.5 The right and license of the Marks granted hereunder to you are non-exclusive, and we thus have and retain the rights, among others:

6.3.5.1 To use the Marks ourselves in connection with selling products and services;

6.3.5.2 To grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees or other licensees authorized to operate using the Marks;

6.3.5.3 To develop and establish other systems using the same or similar Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to you.

6.3.6 We reserve the right to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder if the Marks no longer can be used, or if we, exercising our right to do so, determine that substitution of different proprietary marks will be beneficial to the System. In such circumstances, you shall implement at your expense such substituted proprietary marks in such ways as we may direct, and the use of the substituted proprietary marks shall be governed by the terms of this Agreement.

6.4 Promotional Materials. You shall require all advertising and promotional materials, signs, decorations, any and all replacement trade dress products, and other items which may be designated by us to bear our then-current Marks and logos and trade dress in the form, color, location, and manner then-prescribed by us.

## 7. CONFIDENTIAL OPERATING MANUALS

7.1 Manual. In order to protect our reputation and goodwill and to maintain high standards of operation under the Marks, you shall conduct the Franchised Business in accordance with the Manual. "**Manual**" means our confidential operations manual and any other written directives related to System, in whatever form and whatever manner provided, as the same may be periodically amended and revised, including standards, specifications, requirements, policies, and procedures of the System for the development, construction, operation, and marketing of Re-Bath Businesses, and all bulletins, supplements, and ancillary and additional manuals and directives established by us from time to time. The Manual may consist of multiple volumes of printed or electronic text (including in MP3, DVD or PDF format) and other electronically stored data, and various and periodic or episodic operational and/or management bulletins, in any format. We may provide a portion or all of the Manual (including updates and amendments), and other instructional information and materials in, or via, electronic media, including through the Internet.

7.2 Confidentiality of the Manual. You shall, and you will cause all of your agents, employees, and designees to, at all times treat the Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall maintain such information as secret and confidential. You shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.3 Protection of the Manual. The Manual shall at all times remain our sole property and shall at all times be kept in a secure place on the premises of the Showroom Approved Location. You shall ensure that the Manual is kept current and up to date; and, in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us at our home office shall be controlling.

7.4 Revisions to the Manual. We may from time to time revise the contents of the Manual, and you agree to make corresponding revisions to your copy of the Manual and to comply with each new or changed standard immediately upon receipt of such revision or within such other time frame that may be prescribed by us.

## 8. CONFIDENTIAL INFORMATION

8.1 Confidential Information. You understand and agree that you will come into possession of certain of our trade secrets concerning the manner in which we conduct business including, but not limited to: methods of doing business or business processes; strategic business plans; customer lists and information, and other Customer Data; marketing and promotional campaigns; software; and other materials clearly marked or labeled as trade secrets. You agree that the foregoing information, which may or may not be considered "trade secrets" under prevailing judicial interpretations or statutes, is private, valuable, and constitutes trade secrets belonging to us. You agree that we derive independent economic value from the foregoing information not being generally known to, and not being readily ascertainable through proper means by, another person. You agree to take reasonable measures to keep such information secret. You shall not communicate, divulge, or use for the benefit of any other person or entity any trade secrets or any other confidential information, knowledge, or know-how concerning the methods of operation of the business franchised hereunder which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of this Agreement ("**Confidential Information**"). For the purpose of clarity, the Manual contains our Confidential Information. You shall divulge Confidential Information only to such of your employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know-how, and techniques which we designate as confidential shall be deemed confidential for purposes of this Agreement, except information that you can demonstrate by written or other documentary records: (a) was rightfully known to you without restriction on use or disclosure prior to such information's being disclosed or made available to you in connection with this Agreement; (b) was or becomes generally known by the public other than by you or any of your representatives' noncompliance with this Agreement; (c) was or is received by you on a non-confidential basis from a third party that was not or is not, at the time of such receipt, under any obligation to maintain its confidentiality; or (d) was or is independently developed by you without reference to or use of our Confidential Information. In addition, you and your officers, directors, shareholders, agents and representatives, may, in accordance with any applicable law including the federal Defend Trade Secrets Act, disclose confidential information, including our trade secrets, (a) in confidence, to federal, state, or local government officials, or to your attorney, for the sole purpose of reporting or investigating a suspected violation of law; or (b) in a document filed in a lawsuit or other legal proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with any applicable law or create liability for disclosures expressly allowed by law. Any management employee who may have access to any Confidential Information regarding the Franchised Business shall execute a covenant that s/he will maintain the confidentiality of information they receive in connection with their association with you. Such covenants shall, among other things, designate us as a third-party beneficiary of such covenants with the independent right (but not the obligation) to enforce them, and such covenants may be required to be on a form provided by us. Our current form of Non-Disclosure Agreement is attached hereto as Exhibit G.

8.2 Irreparable Injury. You acknowledge that any failure to comply with the requirements of this Section 8 will cause us irreparable injury, and you agree to pay all court costs and reasonable attorneys' fees incurred by us in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 8.

8.3 Information Exchange. You agree to disclose to us all ideas, concepts, methods, techniques and products conceived or developed by you, your affiliates, owners, agents, or employees during the term of this Agreement relating to the development and/or operation of the Franchised Business. You hereby agree that we own any such ideas, concepts, methods, techniques and products and shall execute and obtain the execution of such documents as we may prescribe to affect such ownership, including but not limited to an assignment of all your, your affiliates', owners', agents', or employees' interests in any such ideas or concepts and if an assignment is not available, then an irrevocable, worldwide, perpetual, and royalty-free license of such interests to us. We shall have no obligation to make any payments to you with respect to any such ideas, concepts, methods, techniques, or products. You agree that you will not use or allow any

other person or entity to use any such concept, method, technique or product without obtaining our prior written approval.

## 9. ACCOUNTING AND RECORDS

9.1 Records. With respect to the operation and financial condition of the Franchised Business, you shall adopt, until otherwise specified by us, a fiscal year consisting of twelve (12) accounting periods of one (1) month each, which coincides with our then-current fiscal year, as specified by us. You shall maintain for a period of not less than three (3) years during the term of this Agreement, and, for not less than three (3) years following the transfer, termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles, as required by law, and in the form and manner prescribed by us from time to time in the Manual or otherwise in writing. You shall prepare and maintain all books and records required under this Agreement and as prescribed by us during each fiscal year during the Term of this Agreement and for the three (3) years prior to each fiscal year. Such books and records shall relate solely to the Franchised Business and shall not be combined with the books and records for any other business, including through the preparation of consolidated books and records. To the extent books and records are created and/or maintained in an electronic form, all such books and records must be capable of being reviewed by us or our designee without special hardware or software.

9.2 Periodic Reports. You shall, at your expense, provide to us, in a format specified by us, a complete annual financial statement (prepared according to generally accepted accounting principles, that includes a fiscal year-end balance sheet, an income statement of the Franchised Business for such fiscal year reflecting all year-end adjustments, and a statement of changes in your cash flow), prepared by an independent certified public accountant satisfactory to us, showing the results of operations of the Franchised Business during the most recently completed fiscal year. The information regarding the Franchised Business contained in such financial statement shall relate solely to the Franchised Business and shall not be combined with information for any other business, including through the preparation of consolidated financial statements. In addition, no later than the fifteenth (15th) day of each accounting period or month during the term of this Agreement after the opening of the Franchised Business, you shall submit to us, in a format acceptable to (or, at our election, specified by) us, as amended from time to time: (i) a monthly profit and loss statement (which may be unaudited) for the Franchised Business; (ii) a balance sheet as of the last date of the period being reported (iii) reports of those income and expense items of the Franchised Business which we specify from time to time for use in any revenue, earnings, and/or cost summary, provided that we will not identify to prospective or any other franchisees any specific financial results of the Franchised Business; (iv) copies of all state sales tax returns for the Franchised Business; and (v) reports of marketing and material costs expense detail by vendor in the form and to the specifications defined in the Manual.

9.3 Reporting Requirements. In addition to the Sales Reports required pursuant to Section 4.2, the periodic reports pursuant to Section 9.2, and any other specific reports expressly required herein, you shall submit to us for review or auditing, such other forms, reports, records, information, and data as and when we may reasonably designate, in the form and format, and at the times and places reasonably required by us, upon request and as specified from time to time in the Manual or otherwise in writing. The reporting requirements of this Section 9.3 shall be in addition to, and not in lieu of, the electronic reporting that may be required in connection with the use of the required Computer System under Section 5.20 above.

9.4 Audit. We or our designated agents shall have the right at all reasonable times to examine, copy, and/or personally review or audit, at our expense, all of your books, records, and sales and income tax returns. We shall also have the right, at any time, to have an independent audit made of your books. If an inspection should reveal that any payments have been understated in any report to us, then you shall

immediately pay us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. If an inspection is necessitated because you fail to timely provide Sales Reports or if an inspection discloses an understatement in any report by you of two percent (2%) or more, you shall, in addition, pay us a fee of Ten Thousand Dollars ($10,000) as compensation to us for all costs and expenses connected with the inspection. The foregoing remedies shall be in addition to any other remedies we may have. Notwithstanding the foregoing, in no event shall we be liable or responsible to repay, credit or otherwise reimburse you for any overpayment you made to us as a result of an error with your reporting, financial statements or other data submitted to us by you, either discovered by us or you through an audit or other means, except in the case of demonstrable errors by us, which must have been discovered within one year of submission to us and you provide timely and proper notice to us within one year of submission.

9.5 Data. All data provided by you in any form, and whether required by this Section 9 or any other requirement under the System or in the Manual, including data uploaded to our computer system from your Computer System, and/or downloaded from your Computer System to our computer system, is and will be owned exclusively by us, including Customer Data (described in Section 5.21 above), customer lists and e-mail lists, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. In addition, all other data created or collected by you in connection with the System, or in connection with your operation of the business (including consumer and transaction data), is and will be owned exclusively by us during the term of, and following termination or expiration of, this Agreement. We hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement and solely for your use in connection with the business franchised under this Agreement.

## 10. ADVERTISING AND MARKETING

Recognizing the value of advertising and marketing, and the importance of the standardization of advertising and marketing programs and consumer satisfaction programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

10.1 Advertising & Marketing Generally. We or our affiliates or designees shall control and direct all adverting and marketing programs or services that are intended to promote the Marks, the System, any individual franchised business (including your Franchised Business), and/or the entire network of Re-Bath Businesses, including the concepts, materials, media, placement, collateral and applicable vendors used in such advertising or marketing programs or services, and the placement and allocation thereof, on your behalf. In no event shall you, your principals or agents create, place, purchase, contract with or otherwise participate in any advertising or marketing activity including engagement with unapproved vendors without our express written permission or as otherwise outlined herein. We have established an advertising, marketing, and promotional fund, which may be referred to as the "**Advertising Fund**," or such other name as we may designate, and/or an Advertising Cooperative, as described in this Section 10.

10.2 Advertising Fund. Commencing in the third (3rd) month after the Effective Date, you shall contribute the amount set forth in Exhibit A-1 (the "**Advertising Contribution**") to the Advertising Fund each week; provided, however, that in no event shall the Advertising Contribution be less than the minimum advertising contribution (the "**Minimum Advertising Contribution**") set forth in Exhibit A-1. The Advertising Contribution shall be paid by you as provided in the Manual or otherwise stated by us in writing. The Minimum Advertising Contribution is subject to an annual CPI adjustment increase as set forth in Section 4.12. In addition, we may, at our sole option, adjust the amount of the Advertising Contribution upon thirty (30) days' prior notice to you (i.e., increase the percentage of Gross Sales to be contributed), and upon notice such adjustment will be deemed part of this Agreement as if set forth herein; provided, the Advertising Contribution will not exceed six percent (6%) of Gross Sales and the combined total of the Advertising Contribution and the Minimum Local Advertising Requirement will not exceed

fifteen percent (15%) of Gross Sales. The Advertising Contribution shall be paid by you as provided in the Manual or otherwise stated by us in writing. The Advertising Fund shall be maintained and administered by us or our designee, as follows:

10.2.1 We or our designee shall have the right to direct all advertising programs and consumer satisfaction programs, as well as all aspects thereof, including the concepts, materials, and media used in such programs and the placement and allocation thereof. The Advertising Fund is intended to maximize general public recognition, acceptance, perception of, and use of the System; and we and our designee are not obligated, in administering the Advertising Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Advertising Fund.

10.2.2 The Advertising Fund, all contributions thereto, and any earnings thereon, shall be used exclusively (except as otherwise provided in this Section 10.2) to meet any and all costs of maintaining, administering, directing, conducting, creating and/or otherwise preparing advertising, marketing, public relations and/or promotional programs and materials, consumer satisfaction, brand management, and any other activities which we believe will enhance the image and/or public perception of the System, including the costs of preparing and/or conducting: media advertising campaigns; social media campaigns; direct mail advertising; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; brand research and development; developing and hosting marketing, brand development and enhancement, and customer engagement seminars for franchisees; purchasing promotional items; developing new or modified trade dress and marks; providing for the protection of the Marks; design and photographs; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; administering marketing, advertising and promotional programs for National Accounts or strategic or promotional partnerships; market research and customer satisfaction surveys; the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or non-profit events; developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing one (1) or more websites devoted to the System, the Marks and/or the "Re-Bath" brand; and providing promotional and other marketing materials and services to the Franchised Businesses operated under the System. The Advertising Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by us, which products, services, or improvements we shall have the right to determine will promote general public awareness and favorable support for the System. You acknowledge and agree that we shall own all advertising, marketing, public relations and/or promotional programs and materials, and any other intellectual property, that is generated by the Advertising Fund.

10.2.3 You shall contribute to the Advertising Fund in the manner specified by us in the Manual or otherwise in writing. All sums paid by you to the Advertising Fund shall be maintained in an account separate from our other monies. We shall have the right to charge the Advertising Fund for such reasonable administrative costs and overhead as we may incur in activities reasonably related to the direction and implementation of the Advertising Fund and advertising programs for franchisees and the System, including costs of personnel for creating and implementing, advertising, merchandising, promotional and marketing programs and accounting services reasonably related to the operation and functions of the Advertising Fund. The Advertising Fund and its earnings shall not otherwise inure to our benefit. We or our designee shall maintain separate bookkeeping accounts for the Advertising Fund.

10.2.4 The Advertising Fund is not intended to be, and will not be used for, our ordinary operating expenses, nor is it a trust, and we do not assume any fiduciary obligation to you for maintaining,

directing or administering the Advertising Fund or for any other reason. A statement of the operations of the Advertising Fund as shown on our books shall be prepared annually and shall be made available to you on an annual basis upon your prior written request.

10.2.5 The Advertising Contribution is a separate requirement from the Minimum Local Advertising Requirement set forth in Section 10.4 and Exhibit A-1, and defined in Section 10.5 below. The Advertising Contribution is not credited toward the Minimum Local Advertising Requirement.

10.2.6 Although the Advertising Fund is intended to be of perpetual duration, we maintain the right to terminate the Advertising Fund. The Advertising Fund shall not be terminated, however, until all monies in the Advertising Fund have been expended for advertising and/or promotional purposes.

10.3 Advertising Cooperative. We shall have the right to designate any geographic area for purposes of establishing a market advertising and promotional cooperative fund ("**Advertising Cooperative**"). We shall have the right to form, change, dissolve, or merge any Advertising Cooperative. You shall pay to the Advertising Cooperative the contribution required by the Advertising Cooperative, which shall not exceed the amount set forth in Exhibit A-1 ("**Cooperative Contribution**"). If an Advertising Cooperative for the geographic area in which the Franchised Business is located has been established at the time you commence operations hereunder, you shall immediately become a member of such Advertising Cooperative, unless otherwise permitted by us. If an Advertising Cooperative for the geographic area in which the Franchised Business is located is established during the term of this Agreement, you shall become a member of such Advertising Cooperative within thirty (30) days after the date on which the Advertising Cooperative commences operation, unless otherwise permitted by us. In no event shall you be required to be a member of more than one (1) Advertising Cooperative relating to the Franchised Business. The following provisions shall apply to each such Advertising Cooperative:

10.3.1 Each Advertising Cooperative shall be organized (including bylaws and other formation documents) and governed in a form and manner, and shall commence operations on a date, approved in advance by us in writing. Unless otherwise specified by us, the activities carried on by each Advertising Cooperative shall be decided by a majority vote of its members. Any Re-Bath Businesses that we operate in the region shall have the same voting rights as those owned by our franchisees. Unless otherwise specified by us in writing, each Re-Bath Business "**unit**" (defined as an individual protected territory that is the subject of a single franchise agreement) shall be entitled to cast one (1) vote. In the event of a tie vote, we shall cast the deciding vote.

10.3.2 Each Advertising Cooperative shall be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, promotional materials for use by the members in local advertising and promotion.

10.3.3 No advertising or promotional plans or materials may be used by an Advertising Cooperative or furnished to its members without our prior approval, pursuant to the procedures and terms as set forth in Section 10.7 below.

10.3.4 You shall submit the Cooperative Contribution to the Advertising Cooperative at the time required by us in the Manual or otherwise in writing together with such statements or reports as may be required by us or by the Advertising Cooperative with our prior written approval. If so requested by us in writing, you shall submit your payments and reports to the Advertising Cooperative directly to us for distribution to the Advertising Cooperative.

10.3.5 Amounts that you contribute to the Advertising Cooperative through the Cooperative Contribution shall be credited toward your Minimum Local Advertising Requirement as described in Exhibit A-1.

10.3.6 Although once established, each Advertising Cooperative is intended to be of perpetual duration, we maintain the right to terminate any Advertising Cooperative. An Advertising Cooperative shall not be terminated, however, until all monies in that Advertising Cooperative have been expended for advertising and/or promotional purposes.

10.4 Minimum Local Advertising Requirement; Local Advertising and Promotion. Each calendar quarter, or as specified in the Manual or as otherwise directed in writing by us, you shall spend the Minimum Local Advertising Requirement (as defined in Exhibit A-1 and Section 10.5 below). We may, at our sole option, adjust the amount of the Minimum Local Advertising Requirement upon thirty (30) days' prior notice to you, and upon such notice such adjustment will be deemed made part of this Agreement as if set forth herein; provided, the Minimum Local Advertising Requirement will not exceed twelve percent (12%) of Gross Sales and the combined total of the Advertising Contribution and the Minimum Local Advertising Requirement will not exceed fifteen percent (15%) of Gross Sales. The Minimum Local Advertising Requirement shall be spent in such media, and be of such type and format as directed by us, or as specified in the Manual or as we may approve; shall be conducted in a dignified manner; shall conform to such standards, proportions, and requirements as we may specify in the Manual or otherwise; and shall comply with all applicable laws. You shall not use any advertising or promotional plans or materials unless those materials were provided to you by us, or, for those materials that we have not provided, until you have received written approval from us, pursuant to the procedures and terms set forth in Section 10.7 below. In the event you are authorized, in writing, by us, to use a third-party vendor to satisfy your advertising requirements hereunder; such vendor must be a preferred vendor approved by us and such vendor will execute or have, prior to your assumption of services, so executed any and all separate agreements as we deem necessary. You shall comply with all of our written instructions, policies, procedures, and restrictions regarding advertising and marketing within your Protected Territory, outside of your Protected Territory, and in areas that may be territories assigned to other Re-Bath Businesses or franchisees (including rules regarding honoring of gift certificates and promotions). The purpose of the Minimum Local Advertising Requirement is to increase our brand awareness and generate organic leads, therefore no more than ten percent (10%) of your Minimum Local Advertising Requirement may be spent on co-branded National Accounts, unless otherwise approved or directed by us. You must provide to us on a monthly basis and upon our request, through the software or other method we prescribe, records and reports reflecting your Minimum Local Advertising Requirement spend for the preceding month of any given Year. You must meet the Minimum Local Advertising Requirement spend each calendar quarter.

10.4.1 You acknowledge that we recommend that you conduct a "**Soft Opening Campaign**" before the date of your Soft Opening, during which time you engage in marketing, advertising, and public relations activities in connection with the opening of your Franchised Business, as we approve or as we specify in the Manual or otherwise in writing. Any amount you spend on your Soft Opening Campaign is in addition to your Minimum Local Advertising Requirement.

10.4.2 In addition to any Soft Opening Campaign you elect to conduct, you must conduct a "**Grand Opening Campaign**" during the thirty (30) day before the date of your Grand Opening, during which time you must engage in marketing and public relations activities in connection with the opening of your Franchised Business, as we approve or as we specify in the Manual or otherwise in writing. A minimum of Twenty-Five Thousand Dollars ($25,000) must be spent on your Grand Opening Campaign in the thirty (30) day period preceding your Grand Opening. Any amount you spend on your Grand Opening Campaign is in addition to your Minimum Local Advertising Requirement.

10.5 Expenses Included in "Minimum Local Advertising Requirement". As used in this Agreement, the term "**Minimum Local Advertising Requirement**" shall consist only of the direct costs of placing, purchasing, and producing advertising materials (including camera-ready advertising and point of sale materials), media (space or time), and those direct out-of-pocket expenses related to costs of advertising and sales promotion spent by you in your local market or area, advertising agency fees and expenses, postage, shipping, telephone, and photocopying, or other uses expressly authorized in the Manual or otherwise in writing (collectively, "**Approved Marketing Categories**"). Notwithstanding the foregoing, the parties agree that the Minimum Local Advertising Requirement shall not include costs or expenses incurred by or on your behalf in connection with any of the following:

10.5.1 Employment-related expenses, including salaries and expenses of any of your employees, including salaries or expenses for attendance at advertising meetings or activities, or incentives provided or offered to such employees, including discount coupons, or costs or expenses related to recruitment or retention of employees or prospective employees;

10.5.2 Charitable, political, or other contributions or donations, whether in cash, food, or services;

10.5.3 The value of discounts provided to customers;

10.5.4 Any costs that, in our sole determination, are not included within (or are materially different from) any Approved Marketing Categories set forth in the Manual or in other writing;

10.5.5 Any costs or expenses incurred with any vendor, supplier, marketing affiliate, or other individual or entity not approved by us in writing ("**Approved Marketing Vendors**"). Approved Marketing Vendors may include us, and we reserve the right to charge you up to market rates for the provision of digital and other marketing services;

10.5.6 Any other costs or expenses that are not otherwise approved by us in writing.

10.6 Participation in Campaigns. Subject to Section 5.25, you shall participate in all marketing and public relations programs and campaigns designated by us as mandatory, including any campaigns that adjust price or provide discounts.

10.7 Approval for Advertising Plans and Materials Not Supplied By Us. For all proposed advertising, marketing, and promotional plans, including but not limited to TV media buys and digital media buys, you must follow and comply with our policies, procedures, guidelines and standards as set out in the Manual or otherwise in writing, which may be modified from time to time. Unless permitted by us otherwise in writing, you must submit samples of such plans and materials to us (by means described in the Manual) together with an outline of their proposed use, for our review and prior written approval (except with respect to prices to be charged by you). If written approval is not received by you from us within fourteen (14) days of the date of receipt by us of such samples or materials, we shall be deemed to have approved them. We have the right to approve or reject advertising, marketing, and promotional plans that you propose, at our option. We reserve the right to withdraw our approval for any previously-approved plans or materials upon (i) thirty (30) day's written notice to you for any plans or materials that were deemed to be automatically approved, or (ii) six (6) months' written notice to you for any plans or materials that we approved in writing. You acknowledge and agree that all advertising and promotional materials developed by or on your behalf, and any copyrights thereto, shall be our sole property, and you agree to execute such documents (and, if necessary, require your independent contractors to execute such documents) as may be deemed reasonably necessary by us to give effect to this provision.

10.8 Marketing Media Services. We or our affiliates or designees may, at our option, control and direct all marketing programs or services that are intended to promote the Marks, the System, any individual franchised business (including your Franchised Business), and/or the entire network of Re-Bath Businesses, including the concepts, materials, media, and applicable vendors used in such marketing programs or services, and the placement and allocation thereof, on your behalf for a fee, including digital, broadcast, and other available mediums ("**Marketing Media Services**"). Unless we consent otherwise in writing, you and your affiliates, or other third party's working on your behalf, and your and their Principals and employees may not, directly or indirectly, conduct or be involved in any marketing that uses the Marks or that relates to the Franchised Business or the network of Re-Bath Businesses. The Marketing Media Services are part of the Managed Services Program as described in Section 5.31, and the fee for Marketing Media Services are included within the Managed Services Fee. Contemporaneously with your execution of this Agreement, you must execute the then-current form of media services addendum or agreement attached as Exhibit H. For the avoidance of doubt, to the extent we are providing Marketing Media Services as of the Effective Date, you must execute Exhibit H-1 (Media Services Addendum); to the extent our affiliate or designee is providing Marketing Media Services as of the Effective Date, you must execute Exhibit H-2 (Media Services Agreement). We may require you to enter into a separate agreement for any additional Marketing Media Services that are offered. Currently, we offer the following Marketing Media Services, but may offer additional services in the future:

10.8.1 Digital Marketing Services. We or our affiliates or designees may, at our option, establish and operate social media accounts (e.g., Facebook, X (formerly known as Twitter), Instagram, etc.), applications, domain names, keyword or adword purchasing programs, paid search programs, social media advertising, connected TV, over-the-top content, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, websites, or any other means of digital advertising, marketing, or promotion on the Internet or any electronic communications network (collectively, "**Digital Marketing**") that are intended to promote the Marks, the System, any individual franchised business (including your Franchised Business), and/or the entire network of Re-Bath Businesses. We have the sole right to control, place, and manage all aspects of any Digital Marketing, including those related to the Franchised Business, and you must pay our then-current fee for such Digital Marketing services. Unless we consent otherwise in writing, you and your affiliates and your and their Principals and employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that uses the Marks or that relates to the Franchised Business or the network of Re-Bath Businesses. If we permit or require you or your Principals, affiliates, or employees to conduct any Digital Marketing, you and they must use any materials that we require and must comply with our policies, standards, and guidelines as set out in the Manual or otherwise in writing. We may withdraw our approval for any Digital Marketing at any time.

10.8.2 Broadcast Marketing Services. We or our affiliates or designees may, at our option, create and place advertising, marketing, or promotion on broadcast television (collectively, "**Broadcast Marketing**") that are intended to promote the Marks, the System, any individual franchised business (including your Franchised Business), and/or the entire network of Re-Bath Businesses. We have the sole right to control, place, and manage all aspects of any Broadcast Marketing, including those related to the Franchised Business, and you must pay our then-current fee for such Broadcast Marketing services. Unless we consent otherwise in writing, you and your affiliates and your and their Principals and employees may not, directly or indirectly, conduct or be involved in any Broadcast Marketing that uses the Marks or that relates to the Franchised Business or the network of Re-Bath Businesses. If we permit or require you or your Principals, affiliates, or employees to conduct any Broadcast Marketing, you and they must use any materials that we require and must comply with our policies, standards, and guidelines as set out in the Manual or otherwise in writing. We may withdraw our approval for any Broadcast Marketing at any time. Currently, the Broadcast Marketing services we offer our optional, but we may require you to enroll in such program in the future. If at your option, you enroll in an optional Broadcast Marketing program, and you

thereafter cancel your participation, we may charge you a one-time payment cancellation fee equal to five percent (5%) of your monthly media spend.

10.9 Website. We may maintain a Website for our benefit and that of franchisees. You shall not establish a Website or permit any other party to establish a Website that relates in any manner to your Franchised Business or referring to the Marks. We have the right, but not the obligation, to provide one (1) or more references or webpage(s) to your Franchised Business, as we may periodically designate, within our Website. (The term "**Website**" as used in this Agreement means one (1) or more related documents, designs, microsites, pages, or other communications that can be accessed through electronic means, including the Internet, World Wide Web, social networking sites (including Facebook, X (formerly known as Twitter), LinkedIn, Instagram, YouTube, etc.), splash page(s), landing page(s), blogs, vlogs, and other applications, etc.). You agree, if we so require, to establish, maintain, and update a Website for the Franchised Business. The use of a separate website is prohibited.

10.9.1 You agree that any Website that you own or that is maintained for your benefit will be deemed "**advertising**" under this Agreement and will be subject to (among other things) our prior written approval pursuant to Section 10.7 above.

10.9.2 You agree not to establish or use any Website without our prior written approval.

10.9.3 You agree that before establishing any Website, you will submit to us, for our prior written approval, a sample of the proposed Website domain name, format, visible content (including proposed screen shots), and non-visible content (including meta data and meta tags) in the form and manner we may reasonably require.

10.9.4 You agree that we will own the domain name or account of any Website we permit you to establish.

10.9.5 You agree not to use or modify any such Website without our prior written approval as to such proposed use or modification.

10.9.6 You agree, in addition to any other applicable requirements, to comply with our written standards and specifications for Websites, whether set forth in the Manual or otherwise.

10.9.7 You agree that, upon our written request, you will promptly establish and maintain links from your Website to our Website (and such other Websites as we may request).

10.10 E-Mail, Internet, and Other Media. You must comply with our requirements and policies (as described in the Manual or otherwise in writing) with respect to the transmission of all e-mails in connection with the Franchised Business, and in connection with discussing, advertising, or disseminating any information, or otherwise having a presence, on the Internet, or in any other media, regarding the Franchised Business. Such activities include participation in any Internet "blogs" or social networking sites. Any such activities which are not expressly permitted in the Manual or otherwise in writing, or for which you have not previously received approval from us, shall be subject to our approval as described in Section 10.7 above.

10.10.1 You agree not to transmit or cause any other party to transmit advertisements or solicitations by telephone, text, or e-mail or other electronic media without our prior written consent as to: (a) the content of such advertisements or solicitations; and (b) your plan for transmitting such advertisements or solicitations. Our review of your advertisements or solicitations, or of your plan for transmitting such advertisements or solicitations, is only for our benefit and our review will pertain to whether the proposed advertisements or solicitations comply with our specifications. You agree that you will be solely responsible for complying with any laws pertaining to sending such advertisements and solicitations, including the Controlling the Assault of Non-Solicited Pornography and Proprietary Marketing Act of 2003 (known as the "**CAN-SPAM Act of 2003**"), the Telephone Consumer Protection Act of 1991, and any amendments thereto.

10.11 Telephone Numbers. You shall comply with all instructions, procedures, standards, and specifications that we may establish in the Manual or otherwise in writing pertaining to your use of telephone numbers used in connection with the Franchised Business.

## 11. PRODUCTS

11.1 Product Purchase Price. We will offer to you, or arrange for our affiliate to offer to you, those approved products that we, our affiliates, or certain approved vendors, as determined by us in our sole discretion, manufacture and sell, at reasonably competitive wholesale prices. The prices for those products will be set forth in a confidential price list for Re-Bath Businesses and made part of the Manual. The sale price for certain of those products may, at our option, be discounted to you from the standard price set forth in that list. You acknowledge that the prices for these products may include a mark-up for us and/or our affiliates. We may, at our option, change the prices for these products for any reason and at any time. As for products not purchased from us or our affiliates, we may at our option negotiate for the purchase of such products on behalf of the Re-Bath Business network, and you acknowledge and agree that we and our affiliates may earn revenue or rebates from your purchase of those products.

11.2 Product Warranty. We or our affiliates will provide to the customers warranties on all products that we or our affiliates manufacture that is reasonably competitive with the warranties offered on similar products by third parties (the "**Product Warranty**"). At the time of installation of any product that is covered by the Product Warranty, you shall deliver a copy of the then-current Product Warranty to the customer. The Product Warranty is subject to change upon written notification to you by us, at any time.

11.3 Product Alterations. You shall be solely responsible for any alterations made to any product by you or your employees, agents or representatives after delivery to you.

11.4 Defective Products. In the event any products that we or our affiliates manufacture is defective, you will notify us of the defect, in writing, prior to installation. Our sole responsibility to you, and your sole remedy, with respect to such defective product shall be to replace the product as soon as practicable. You shall, at our request and expense, return any defective product to us. In the event you elect to negotiate a credit with the customer in lieu of or in addition to replacing any defective product, such credit shall be your sole responsibility.

## 12. INSURANCE

12.1 Insurance Requirements. Prior to the commencement of any activities or operations pursuant to this Agreement, you shall procure and maintain in full force and effect during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the Term of this Agreement), at your expense, the following insurance policy or policies in connection with the Franchised Business or other facilities on premises, or by reason of the construction, operation, or occupancy of the Franchised Business or other facilities on premises. Such policy or policies shall be written by an insurance company or companies approved by us, having an A.M. Best's Financial Strength Rating of A (Excellent) or better and Financial Size Category of X or higher in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and licensed to do business in the state in which the Franchised Business is located. Such policy or policies shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified for all franchisees from time to time by us in the Manual or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances), the coverage and limits as defined in the Manual, including but not limited to: comprehensive general liability insurance; business automobile liability insurance; statutory workers' compensation insurance and employer's liability insurance; cyber insurance; commercial umbrella liability insurance; property insurance; products liability insurance; and any other insurance coverage that we require in the Manual, or that is required by federal, state, or municipal law.

12.2 Referenced in Manual. All policies listed in Section 12.1 above (unless otherwise noted below) shall contain such endorsements as shall, from time to time, be provided in the Manual.

12.3 Policy Cancellation. In the event of cancellation, material change, or non-renewal of any policy, sixty (60) days' advance written notice must be provided to us in the manner provided in Section 20 below or as otherwise set forth in the Manual. You shall arrange for a copy of such notification to be sent to us by the insurance company.

12.4 Construction and Remodeling Insurance. In connection with all significant construction, reconstruction, or remodeling of the Franchised Business during the term of this Agreement, you will cause the general contractor, its subcontractors, and any other contractor, to effect and maintain at general contractor's and all other contractor's own expense, such insurance policies and bonds with such endorsements as are set forth in the Manual, all written by insurance or bonding companies having a rating as set forth in Section 12.1 above.

12.5 No Waiver of Obligations. Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 18.4 below.

12.6 Franchisor to be Additional Named Insured. All insurance policies shall list us and our affiliates, and our respective officers, directors, employees, partners, members, subsidiaries, employees and agents as additional named insureds, and shall also contain a provision that we, although named as an insured, shall nevertheless be entitled to recover under said policies on any loss occasioned to us or our servants, agents, or employees by reason of the negligence of your servants, agents, or employees. Additional insured status shall include coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20-26 or any such form that we approve in writing that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) our negligent acts, errors or omissions

or other additional insureds. You shall maintain such additional insured status for us on your general liability policies continuously during the term of the Franchise Agreement.

12.7 Evidence of Insurance. At the earlier of, within thirty (30) days after your receipt of our written request, or as prescribed in the Manual, you shall deliver to us, certificates of insurance, endorsements, insurance declarations and/or other documents requested by us (collectively "**certificates**"), evidencing the proper coverage with limits not less than those required hereunder. All certificates shall expressly provide that no less than sixty (60) days' prior written notice shall be given to us in the event of material alteration to, cancellation, or non-renewal of the coverages evidenced by such certificates. Further certificates evidencing the insurance required by Section 12.1 above shall name us, and each of our affiliates, directors, agents, and employees as additional insureds, and shall expressly provide that any interest of same therein shall not be affected by any breach by you of any policy provisions for which such certificates evidence coverage.

12.8 Our Insurance. You acknowledge and agree that any insurance policies maintained by us for our benefit shall have no effect upon your obligation to obtain any insurance required by this Section 12.

## 13. TRANSFER OF INTEREST

13.1 Franchisor Transfers. We have the right to transfer or assign this Agreement, the System, Confidential Information, and all or any part of our rights or obligations under this Agreement or our interest in the System and Confidential Information or any ownership interest in us or any affiliate to any person or legal entity without your consent. Any transferee or assignee of this Agreement or rights thereunder from us will become solely responsible for all of our obligations under this Agreement from the date of the transfer or assignment. Without limiting the foregoing, we may sell our assets (including our rights in the Marks and the System) to a third party; may offer our securities privately or publicly; may merge with or acquire other legal entities, or be acquired by another legal entity; and may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring. With regard to any or all of the above transfers, sales, assignments, and dispositions, you waive any claims, demands, or damages against us or our affiliates arising from or related to our transfer of our rights in this Agreement, the System, or Confidential Information or ownership interest in us or any affiliate to any other party. Nothing contained in this Agreement will require us to remain in the business of operating or licensing the operation of Re-Bath Businesses or other businesses or to offer any services or products to you, whether or not bearing the Marks, if we transfer or assign our rights in or obligations under this Agreement and the System.

13.2 Principals. If you are a business entity ("**Business Entity**"), each Principal, and the interest of each Principal in you, is identified in Exhibit D hereto. You represent and warrant that your Principals are as set forth on Exhibit D attached to this Agreement, and covenant that you will not permit the identity of such owners, or their respective interests in you, to change without complying with this Agreement. We shall have the right to designate any person or entity which owns a direct or indirect interest in you as a Principal, and Exhibit D shall be so amended automatically upon notice thereof to you. Throughout the term of this Agreement, we shall have a continuing right to designate as a "Principal" any person or entity that owns a direct or indirect interest in you.

13.3 Franchisee Transfers. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted this franchise in reliance on your or your Principals' business skill, financial capacity, and personal character. Accordingly:

13.3.1 You shall not, without our prior written consent, transfer, pledge or otherwise encumber: (a) this Agreement or any of your rights and obligations under this Agreement; (b) all or

substantially all of the assets of the Franchised Business; (c) the leases or any other interest in the Approved Locations; or (d) any direct or indirect ownership interests in you.

13.3.2 If you are a corporation or limited liability company, you shall not, without our prior written consent, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities shall become a Principal under this Agreement, if so designated by us.

13.3.3 If you are a partnership or limited partnership, the partners of the partnership shall not, without the prior written consent our, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner shall be deemed your Principal.

13.3.4 A Principal shall not, without our prior written consent, transfer, pledge or otherwise encumber any interest of a Principal in you as shown in Exhibit D.

13.3.5 You shall not transfer or assign your leases for the Approved Locations to, or permit a default or surrender of the leases that will or may cause the Approval Locations to be owned, leased, or operated by, any person or entity that will not operate a Re-Bath Business at the Approved Locations, without our prior written consent.

13.4 Conditions for Approval. We shall not unreasonably withhold any consent required by Section 13.3 above; provided, that if you propose to transfer your obligations hereunder or any interest in all or substantially all of the assets of the Franchised Business, or if you or a Principal proposes to transfer any direct or indirect interest in you, or if you or any Principal proposes to undertake any transfer that is subject to Section 13.3, we shall have the right to require, among other things, any or all of the following as conditions of our approval:

13.4.1 You and the proposed transferee shall comply with our then-current transfer policies, which may include the terms and conditions of any resale program we establish at our sole option. You and the proposed transferee shall provide us with all information and documents requested by us for our evaluation of the proposed transfer, transaction, and transferee, including the business and financial terms of the proposed transaction including the leases and/or any assignments, renewal or extension of the leases and any necessary landlord consents, financial and operational information regarding the proposed transferee, and evidence of any financing that may be required to complete the transaction and/or fund the transferee's operation after the transfer. In addition, you and the proposed transferee must provide a plan, acceptable to us, for the transition, assumption, or acquisition of applicable and required licenses or permits necessary to operate the Franchised Business, including but not limited to a general contractor's license and/or plumbing license as required by your jurisdiction; and, to the extent required by us in our sole determination, a business continuity plan that outlines the steps undertaken or the support to be provided until such time as the transferee has successfully acquired all necessary licenses and permits to operate the Franchised Business in accordance with local, state, or federal laws or regulations.

13.4.2 The transferor shall have executed a general release (which shall include a release from the transferor, you, your owners, Principals, and guarantors), in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including claims arising under this Agreement, any other agreement between us and you or our affiliates, and federal, state, and local laws and rules.

13.4.3 The transferee of a Principal shall be designated as a Principal and each transferee who is designated as a Principal shall enter into a written agreement, in a form satisfactory to us, agreeing

to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in you; and, if your obligations were guaranteed by the transferor, the Principal shall guarantee the performance of all such obligations in writing in a form satisfactory to us. Our then form of Guarantee, Indemnification, and Individual Covenants is attached hereto as Exhibit C.

13.4.4 Prior to and after the transfer, you and your new Principals shall meet our educational, managerial, and business standards; each shall possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the Franchised Business, as may be evidenced by prior related business experience or otherwise; your Operating Owner, and such other Principals and employees as specified by us, shall satisfactorily complete our initial training program; and have adequate financial resources and capital to operate the Franchised Business. The price, consideration, and other proposed terms of the proposed transfer must not, in our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchised Business.

13.4.5 At our option, the transferee shall execute the form of franchise agreement then being offered to new System franchisees, and such other ancillary agreements required by us for the business franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including a higher royalty and advertising fee, and a different or modified Protected Territory, provided however that the term of such franchise agreement shall be equal to the then unexpired term of this Agreement.

13.4.6 At our option, you or the transferee, at the sole cost and expense of you or the transferee, shall upgrade the Franchised Business to conform to the then-current standards and specifications of new Re-Bath Businesses then being established in the System, and shall complete the upgrading and other requirements set forth in Section 5.11 above within the time specified by us.

13.4.7 All of your monetary obligations hereunder shall be paid in full on a current basis, and you must not be otherwise in default of any of your obligations hereunder including your reporting obligations.

13.4.8 The transferor shall remain liable for all of the obligations to us in connection with the Franchised Business that arose prior to the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by us to evidence such liability.

13.4.9 At your expense, one (1) Principal designated by us to be a new Operating Owner and one (1) Manager shall successfully complete (to our satisfaction) all training programs required by us upon such terms and conditions as we may reasonably require. You or the transferee shall pay our then-current charges for such training. The transferee shall be responsible for all travel-related and other expenditures for its trainees, including all fees, costs, and expenses associated with transportation, lodging, meals, wages, benefits, and other out-of-pocket expenses.

13.4.10 For a continuous period of at least thirty (30) days, you must provide such daily hands-on training as we may require to the transferee and the transferee's employees. Such training must take place any time during the ninety-day (90-day) period prior to the transfer through the end of the first thirty (30) days after the transfer.

13.4.11 To compensate us for our legal, accounting, training, and other expenses incurred in connection with the transfer, you shall pay us a non-refundable transfer fee equal to fifty percent (50%) of our then-current initial franchise fee, as set forth in our then-current Franchise Agreement. The transfer fee shall be paid at the earlier of (a) when the transferee signs the new franchise agreement, or (b) when the

transferee begins training. The transfer fee is non-refundable. In addition, in the event a proposed transfer is not consummated or closed, for any reason except for disapproval by us, you or the proposed transferee shall reimburse us for all of our costs and expenses incurred in connection with our evaluation of the proposed transfer, including attorneys' and accountants' fees, background checks, site evaluation, and training, if applicable, to the extent the portion of the transfer fee paid does not cover those costs and expenses.

13.4.12 The transferor and/or the transferring franchisee must certify to us that the transferring franchisee has provided to the transferee true, complete and accurate copies of your financial information and documents regarding the operation of the Franchised Business, including the trailing two (2) years of financial statements and monthly cash reports, the leases for the Showroom, Warehouse, and Office premises, material contracts, customer data and such other information as may be specified by us.

13.4.13 Transferee must agree to be liable for all customer complaints and warranties issued by the transferor, or for which the transferor was otherwise directly or indirectly liable, and all fees, costs, and expenses (and interest on such fees, costs, and expenses) associated with such, and a provision providing for this obligation shall be included in any transfer agreement that is executed by you and the transferee. Prior to completing the transfer, you must provide to us with a copy of such transfer agreement, which includes this provision, for our review and approval.

13.4.14 The transferor must acknowledge and agree that the transferor shall remain bound by the covenants contained in Sections 16.2 and 16.3 below.

13.5 Transfers to Entities for the Convenience of Ownership. If you desire to transfer all of your interest in this Agreement, or if all of your Principals desire to transfer all of their ownership interests in you, to a corporation, limited liability company, or other entity, solely for the convenience of ownership and/or for tax or estate planning reasons, we shall not unreasonably withhold our consent to such transfer, and we shall not require that you comply with the provisions and conditions of Section 13.4 or Section 13.6, if you comply with all of the following conditions:

13.5.1 You shall provide written notice to us not less than sixty (60) days prior to the date of the proposed transfer, and shall provide us with such documents and information as we may request in support of your request, which may include, among other things, entity formation and good standing certifications, evidence of insurance in the name of the new franchisee entity, and bank information for the new franchisee entity.

13.5.2 You and your Principal(s) shall own all of the outstanding equity interests in the new franchisee entity, and shall own the same percentage ownership interests in the new franchisee entity as they own in you, and if you are an individual, you shall own one hundred percent (100%) of the outstanding voting equity interests in the new franchisee entity.

13.5.3 Each Principal of the new franchisee entity shall execute a guarantee in the form we prescribe. Our current form of Guarantee, Indemnification, and Individual Covenants is attached as Exhibit C hereto.

13.5.4 You and your Principals shall comply with the provisions of Sections 13.4.1, 13.4.2, 13.4.6, 13.4.7, and 13.4.11 of Section 13.4 (Conditions for Approval) of this Agreement, and the new entity and its Principal(s) shall comply with Section 5.29 (Guarantee of Performance) of this Agreement.

13.5.5 You and your Principal(s) shall execute such transfer documents, agreements and other materials as we may require.

13.6 Right of First Refusal.

13.6.1 If you or any Principal desires to accept any *bona fide* offer from a third party to purchase you, all or substantially all of the assets of the Franchised Business, or any direct or indirect interest in you, you or such Principal shall promptly notify us of such offer and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within thirty (30) days after receipt of all such information, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party. If we elect to purchase the seller's interest, the closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by us.

13.6.2 Any material change in the terms of the *bona fide* offer prior to closing shall constitute a new offer subject to the same rights of first refusal by us as in the case of the third party's initial offer. Our failure to exercise the option afforded by this Section 13.6 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 13, with respect to a proposed transfer, or a waiver of any subsequent offer.

13.6.3 In the event the consideration, terms, and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually-acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one (1) independent appraiser, then an independent appraiser shall be promptly designated by us and another independent appraiser shall be promptly designated by you, which two (2) appraisers shall, in turn, promptly designate a third appraiser; all three (3) appraisers shall promptly confer and reach a single determination, which determination shall be binding upon us and you. The cost of any such appraisal shall be shared equally by us and you. If we elect to exercise our right under this Section 13.6, we shall have the right to set off all amounts due from you, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

13.7 Transfer Upon Death. Within six (6) months after your death (if a natural person) or the death of a Principal, the executor, administrator, or other personal representative of the deceased will transfer the interest of the deceased in this Agreement or you to a third party approved by us. If no personal representative is designated or appointed and no probate proceedings are instituted with respect to the estate of the deceased, the distributee of the interest of the deceased must be approved by us. If the distributee is not approved by us, the distributee will transfer the interest of the deceased to a third party approved by us within six (6) months after the date of death of the deceased.

13.8 Transfer Upon Permanent Disability. Upon your permanent disability or the permanent disability of any Principal with a controlling interest in you, we may require your or the Principal's interest to be transferred to a third party approved by us within six (6) months after notice to you. "**Permanent Disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) consecutive months from the date of determination of disability is unlikely. If we disagree as to whether a person has a permanent disability, the existence of the permanent disability shall be determined by a licensed practicing physician selected by us upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed

permanently disabled for the purposes of this Section 13.8 as of the date of refusal. We shall pay the cost of the required examination.

13.9 Notification Upon Death or Permanent Disability. Within ten (10) days after the death or permanent disability of you (if a natural person) or a Principal, you or your representative shall notify us of the death or permanent disability in writing. Any transfer upon death or permanent disability will be subject to the same terms and conditions set out in this Section 13 for any *inter vivos* transfer.

13.10 No Waiver of Claims. Our consent to a transfer which is the subject of this Section 13 shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

13.11 Insolvency. If you or any person holding any interest (direct or indirect) in you becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer in you, your obligations and/or rights hereunder, all or substantially all of the assets of the Franchised Business, or any indirect or direct interest in you shall be subject to all of the terms of this Section 13, including the terms of Sections 13.3, 13.4, and 13.6 above.

## 14. DEFAULT AND TERMINATION

14.1 Automatic Termination. You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; or if you are adjudicated bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless appealed or a supersedeas bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if suit to foreclose any lien or mortgage against the premises of any of the Approved Locations or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

14.2 Termination Upon Notice Without Opportunity to Cure. You shall be deemed to be in default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the delivery of written notice to you by us (in the manner set forth under Section 21 below), upon the occurrence of any of the following events:

14.2.1 If you fail to construct and open the Franchised Business within the time limits as provided in Section 5.3 above, and within the requirements set forth in Section 5.4 above;

14.2.2 If you or your Highly Trained Personnel fail to complete the initial training program pursuant to Sections 3.1 and 5.5 of this Agreement;

14.2.3 If you state an intention to abandon your Franchised Business or you at any time cease to open the Showroom to the public during the hours required by us for three (3) consecutive business days after having commenced operations from the Showroom or lose the right to possession of the premises of any of the Approved Locations, or otherwise forfeit the right to do or transact business in the jurisdiction

where the Franchised Business is located; provided, however, that if, through no fault of you, the premises of any of the Approved Locations are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within ninety (90) days thereafter, then you shall have thirty (30) days after such event in which to apply for our approval to relocate and/or reconstruct such premises, which approval shall not be unreasonably withheld;

14.2.4 If you are in default under any lease or sublease for the Showroom, the Warehouse, and/or the Office premises (each a "**Lease**") and fail to cure the default within the time period specified in the Lease or otherwise specified by the landlord, or if the Lease is terminated, for any reason, or expires;

14.2.5 If you or any Principal is convicted of a felony, a crime involving moral turpitude, a civil or criminal offense of consumer fraud, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interest therein;

14.2.6 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Business;

14.2.7 If you or any Principal purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 13 above;

14.2.8 If you fail to permit an inspection pursuant to Section 5.17 above or an audit pursuant to Section 9.4 above.

14.2.9 If you fail to comply with the covenants in Section 16.2 below or fail to timely obtain execution of the covenants required under Section 16.5 below;

14.2.10 If, contrary to the terms of Sections 7 or 8 above, you disclose or divulge the contents of the Manual or other Confidential Information provided to you by us;

14.2.11 If you knowingly maintain false books or records, or submit any false reports (including information provided as part of your application for this franchise) to us;

14.2.12 If you fail to pay us the Royalty Fees, Advertising Contribution, or any other amount due to us when due, and fail to cure within ten (10) days;

14.2.13 If you fail to pay any supplier or vendor when due, and fail to cure such default within the time period specified by the supplier or vendor, or in the applicable supply contract;

14.2.14 If you fail to pay us or any third party, including a lender, seller or lessor of products, services or equipment, any amount due by you to such parties on any note, financing obligation, or financial instrument when due, and such failure to pay the full amount owed is not cured after any notice required by the contract or under applicable law;

14.2.15 If you commit three (3) or more defaults under this Agreement in any twelve (12) month period, whether or not each such default has been cured after notice and whether or not such defaults involve the same or different requirements of this Agreement;

14.2.16 If, during any twelve (12) month period of this Agreement, three (3) checks are returned to you for payments to us as described in Section 4 above, or if there are insufficient funds in your account to complete the required electronic funds transfer or deposit;

14.2.17 If you engage in any conduct or practice that is fraudulent, unfair, unethical, or a deceptive practice;

14.2.18 If you make any unauthorized or improper use of the Marks, or if you or your Principal fail to utilize the Marks solely in the manner and for the purposes directed by us, or directly or indirectly contest the validity of our ownership of the Marks or our right to use and to license others to use the Marks;

14.2.19 If you fail to implement any customer satisfaction program that we implement, or fail to achieve a score on any customer satisfaction assessment that meets our standards and specifications, as described in Section 5.19;

14.2.20 If you engage in four (4) or more unauthorized installations, projects, or sales described in Section 1.3 in any twelve-month (12-month) period;

14.2.21 If you engage in two (2) or more unauthorized installations, projects, or sales described in Section 1.4 in any twelve-month (12-month) period;

14.2.22 If you fail to make a timely payment as we may require under Section 1.4.1;

14.2.23 If you operate the Franchised Business without maintaining all required permits or licenses, or otherwise in violation of applicable law;

14.2.24 If you purchase a product or service for use in the Franchised Business from an unapproved supplier two (2) or more times within any twelve-month (12-month) period;

14.2.25 If you offer for sale any products or services that have not been approved by us and fail to cure to our satisfaction within ten (10) days;

14.2.26 If you participate in any advertising or marketing activities without our permission or as otherwise permitted under Section 10;

14.2.27 If you use advertising materials in connection with the Franchised Business that were neither provided by us nor approved by us;

14.2.28 If, during any twelve-month (12-month) period, you fail to submit any report or document to us that is required under this Agreement on three (3) or more separate occasions, regardless of whether such defaults are cured;

14.2.29 If you fail to satisfy the Minimum Local Advertising Requirement or fail to provide the records and reports we request regarding your Minimum Local Advertising Requirement expenditures;

14.2.30 If you fail to generate the Minimum Annual Gross Sales and fail to cure as provided under Section 4.5;

14.2.31 If you or your affiliate default under any other agreement with us, our affiliate, or third-party partner, including any financing agreement. Any default or breach by you (or any of your owners) of this Agreement will be considered an event of default or breach by you under any and all agreements between us or our affiliate and you (or any of your owners), or your affiliate (or any of your owner's affiliates); and

14.2.32 In the event a participation in a National Account is required and (i) you do not participate within three (3) months of any required participation date, or (ii) if your participation in any required National Account as of the earlier of the six (6) month anniversary of any required participation date or the six (6) month anniversary of your participation date does not meet any standards set forth in the Manual or in any participation or other agreement signed with any National Account, or (iii) your participation in any National Account program is terminated, refused, or revoked by us or any National Account for any reason in accordance with Section 3.8.

14.3 Termination With Opportunity to Cure. Except as otherwise provided in Sections 14.1 and 14.2 above, upon any other default by you of your obligations hereunder, we may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 21 below) setting forth the nature of such default to you at least thirty (30) days prior to the effective date of termination (or, with respect to monetary defaults, five (5) days); provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof thereof satisfactory to us, all within the thirty (30) (or five (5)) day period. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) (or five (5)) day period or such longer period as applicable law may require.

14.4 Extended Notice of Termination. If any law applicable to this Section 14, or Section 2 above, requires a longer notice period prior to termination of this Agreement, or prior to a refusal to enter into a successor or renewal franchise, than is required hereunder, a different standard of "good cause", or the taking of some other action not required hereunder, the prior notice, "good cause" standard, and/or other action required by such law shall be substituted for the comparable provisions hereof.

14.5 Assignment Upon Bankruptcy. If, for any reason, this Agreement is not terminated pursuant to this Section 14, and the Agreement is assumed, or assignment of the same to any person or entity who has made a *bona fide* offer to accept an assignment of the Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: (i) the name and address of the proposed assignee; and (ii) all of the terms and conditions of the proposed assignment and assumption, shall be given to us within twenty (20) days after receipt of such proposed assignee's offer to accept assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and we shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of such proposed assignment and assumption, to accept an assignment of this Agreement to us upon the same terms and conditions and for the same consideration, if any, as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions which may be payable by you out of the consideration to be paid by such assignee for the assignment of this Agreement. In the event we do not elect to exercise the options described in this Section 14.5, any transfer or assignment pursuant to the United States Bankruptcy Code shall be subject to the same terms and conditions of any other transfer or assignment set forth in Section 13.

14.6 Other Remedies. We have the right, but not the obligation, to undertake any one (1) or more of the following actions instead of terminating this Agreement:

14.6.1 We may terminate or modify any rights that you may have with respect to protection, "exclusivity," or quasi-exclusivity in the Protected Territory including with respect to your participation in any National Account program, as granted under Section 1.2 above, effective ten (10) days after delivery of written notice thereof to you;

14.6.2 We may modify or reduce the size of the Protected Territory described in Section 1.2 above, and/or require you to relocate the Showroom from the location set forth in Exhibit A-2 to a new location within the modified or reduced Protected Territory;

14.6.3 We may disable access to or remove all or any references to the Franchised Business or webpage(s) of the Franchised Business from the Website, until such time as the default is fully cured;

14.6.4 We may withhold from you certain benefits, plans, promotions or products that might be available to other franchisees (including any discounts that we may offer or arrange for products manufactured by us and our affiliates, as well as other product sources), and/or we may not authorize you to engage in certain activities, or participate in certain meetings or events, unless and until you cure your default(s) and operate in compliance with this Agreement and our rules, policies and standards;

14.6.5 We may require you to provide us with a detailed business plan and/or plan for corrective action to cure the default(s) in such form and containing such content as we may specify;

14.6.6 We may require you and/or your Operating Owner to attend and successfully complete up to four (4) days of training and meetings conducted at our headquarters or any other location we may designate; and/or

14.6.7 We may increase the Royalty Fees by no more than one percent (1%) of Gross Sales; provided, if you fail to comply with the minimum or maximum pricing policy for any product or service as set forth in Section 5.25, we may increase the Royalty Fees to eight percent (8%) of Gross Sales as set forth in Section 5.25.

Our exercise of our rights under Section 14.6 will not (i) be a defense for you to our enforcement of any other provision of this Agreement, or waive or release you from any of your other obligations under this Agreement, (ii) constitute an actual or constructive termination of this Agreement, or (iii) be our sole or exclusive remedy for your default. You must continue to pay all fees and otherwise comply with all of your obligations under this Agreement following our exercise of any of these rights. If any of such rights, options, arrangements, or areas are terminated or modified in accordance with this Section 14.6, such action shall be without prejudice to our right to terminate this Agreement in accordance with Sections 14.2 or 14.3 above, and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

14.7 Costs and Attorneys' Fees. If we incur any expenses in connection with your failure to pay when due any monies owed, to submit when due any reports, information, or supporting records, or to otherwise to comply with this Agreement, you must reimburse us for any of the costs and expenses we incur, including, without limitation, reasonable accounting and attorneys' fees.

## 15. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to you shall forthwith terminate, and:

15.1 Cease Operations. You shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee.

15.2 Cease Use of Marks. You shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System, the mark "Re-Bath" and all other Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, you shall cease to use all signs, advertising materials, displays, stationery, forms, and any other articles that display the Marks. You must de-identify and remove any Marks from the Vehicles.

15.3 Cancellation of Assumed Names. You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "Re-Bath," and all other Marks, and/or any other service mark or trademark, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

15.4 Lease(s). We, or any affiliates of ours, shall have the right and option, but not the obligation to acquire any or all of the Leases for the Franchised Business, or otherwise acquire the right to occupy the premises of the Approved Locations. We may assign or delegate this right or option to any of our affiliates, without notice to, or request for approval from, the landlord(s) or lessor(s) of the premises. If we or our assignee or delegatee does not elect or are unable to exercise any option we may have to acquire the leases or subleases for the premises of the Approved Locations, or otherwise acquire the right to occupy the premises, you shall make such modifications or alterations to the premises operated hereunder (including the changing of the telephone number(s)) immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said premises from that of other Re-Bath Businesses, and shall make such specific additional changes thereto as we may reasonably request for that purpose.

15.5 No Confusion. You agree, if you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit copy, or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Marks, and further agree not to utilize any designation of origin, description, trademark, service mark, or representation which suggests or represents a present or past association or connection with us, the System, or the Marks.

15.6 Pay Monies Owed; Liquidated Damages. You shall promptly pay all sums owing to us and our subsidiaries and affiliates (regardless whether those obligations arise under this Agreement or otherwise). In the event of termination for any default, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), incurred by us as a result of the default. Notwithstanding the foregoing or anything to the contrary, should we, at our sole option, allow you to complete scheduled work following termination, cancellation, or non-renewal of this Agreement, you shall be responsible to pay us all fees, including but not limited to Royalty Fees, as outlined herein and in accordance for any work completed as so authorized. You acknowledge and agree that, in the event this Agreement is terminated prior to its expiration due to a default by you, such termination will result in lost future revenue and profits to us, harm to the goodwill associated with the Marks, and increased costs to us to re-develop or re-franchise the Protected Territory in which the Franchised Business is located. You further acknowledge and agree that the actual damages that would be incurred by us in the event of any early termination of this Agreement would be difficult to calculate or ascertain. Accordingly, if this Agreement is terminated prior to its expiration due to a default by you, you will, within ten (10) days after the effective date of such termination, pay us in a single lump sum payment, as liquidated damages and not as a penalty, an amount equal to the product of the average yearly amount of Royalty Fees paid by you under Section 4.2 of this Agreement (subject to the Minimum Royalty Fees) during the three (3) years immediately preceding the termination (or such period that the Franchised Business was open for business, if the Franchised Business was not open for business during the entire three-year period), multiplied by the lesser of (i) three (3) or (ii) the number of years remaining

in the Agreement's then-current initial term or renewal term. You acknowledge and agree that such amount is considered to be a reasonable, bona fide pre-estimate of damages, which is fair and reasonable under the circumstances, and not a penalty. Payment to us of such liquidated damages will not constitute an election of remedies by us or excuse performance of your post-termination obligations hereunder. Any payments received will be in addition to and not in lieu of any other remedies available to us at law or in equity. You acknowledge and agree that the liquidated damages specified in this Section 15.6 are only intended to compensate us for the early termination of this Agreement and our loss of revenue resulting therefrom, but not for any other breach of this Agreement by you or any other damages, losses, or expenses incurred by us, and all other applicable remedies under the law remain available to us. We may collect any such fees or amounts owed via electronic funds transfer.

15.7 Damages and Costs. You shall pay us all damages, costs, interests, and expenses, including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), incurred by us subsequent to the termination or expiration of this Agreement, including those amounts incurred in obtaining injunctive or other relief for the enforcement of any provisions of this Section 15. For the avoidance of doubt, such damages, costs, interests, and expenses include amounts we or our designee incur to service warranty claims and customer complaints in your Protected Territory.

15.8 Return of Manual. You shall immediately deliver to us the Manual and all other manuals, records, and instructions containing Confidential Information (including any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be our property.

15.9 Option to Purchase Furnishings and Equipment. We shall have the option, but not the obligation, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from you any or all of the furnishings, equipment, signs, fixtures, supplies, or inventory related to the operation of the Franchised Business, at the lesser of the fair market value or your book value, subject to applicable law. The book value shall be determined based upon a five (5) year straight-line depreciation of original costs. For equipment that is five (5) or more years old, the parties agree that fair market value shall be deemed to be ten percent (10%) of the equipment's original cost. If we elect to exercise any option to purchase herein provided, we shall have the right to set off all amounts due from you. If the parties cannot agree on fair market value of the equipment, signs, fixtures, supplies, or inventory at issue, fair market value will be determined by three (3) independent appraisers (each of whom must at a minimum satisfy our criteria for appraisal and valuation firms as set forth in the Manual) who collectively will conduct one (1) appraisal. We will appoint one (1) appraiser, you will appoint one (1) appraiser, and the two (2) party-appointed appraisers jointly will appoint the third appraiser. You and we will select our respective appraisers within fifteen (15) days from the date of our notice exercising our purchase option, and the two (2) party-appointed appraisers will appoint the third appraiser within fifteen (15) days from the date on which the last of the two (2) party-appointed appraisers was appointed. Each party will bear the fee, cost, and expense of its own appraiser and will share equally the fees, cost, and expenses of the third appraiser. The appraisers must agree to complete their appraisal within thirty (30) days from the date of the third appraiser's appointment, and their determination regarding fair market value of the equipment, signs, fixtures, supplies, or inventory at issue will be non-negotiable and binding, unless otherwise agreed by the parties in writing. If the two (2) party-appointed appraisers are unable to agree on a third appraiser, the fair market value will be determined by the two (2) party-appointed appraisers and the average of their determinations will be binding, unless otherwise agreed by the parties in writing.

15.10 Customer Contracts. You shall provide us with copies of all unfulfilled or incomplete customer contracts within three (3) days after termination or expiration of this Agreement, together with a description of the status of each contract, and any other information related to such contracts as we may reasonably request. You shall provide us with all reasonable assistance that we request to complete any such unfulfilled or incomplete contracts. Upon our request, you shall assign the contracts to us for One

Dollar ($1), and you shall remit any amount you have received from the customer for any such contract to us. We will reimburse you a portion of the amount received from the customer for any work that you performed toward such customer's contract in an amount determined by us to be reasonably reflective of the work that you performed.

15.11 Assignment or Cancellation of Identifiers. Upon termination or expiration of this Agreement you shall immediately take all action required by us to cancel or assign to us or our designee, at our direction, all authorized and unauthorized "Identifiers," post office boxes, directory listings, and telephone numbers used in connection with the Franchised Business. "**Identifiers**" means anything you used to identify the Franchised Business or the products and services provided by the Franchised Business, in any electronic medium, and includes e-mail addresses, domain names, and social media titles, accounts, and handles.

15.12 Entry on Premises. Upon termination or expiration of this Agreement and for a period of thirty (30) days thereafter, we may enter the Franchised Business's premises and any Vehicles used in connection with the Franchised Business for the purpose of recovering all Confidential Information of ours (including the Manual) as well as unpaid product we shipped to you, product displays, and signage and other documents that display the Marks. You shall include a provision in your lease with the landlord that expressly permits us this limited right of entry, and you shall provide all other reasonable assistance necessary to allow us such access.

## 16. COVENANTS

16.1 Full Time and Best Efforts. During the term of this Agreement, except as otherwise approved in writing by us, you (or one (1) of the Highly Trained Personnel who will assume primary responsibility for the franchise operations and shall have been previously approved in writing by us) must devote full time, energy, and best efforts to the management and operation of the Franchised Business. You may not, directly or indirectly (including through an affiliate), devote attention or efforts to any other type of remodeling business other than bathroom remodeling, including, without limitation, kitchen remodeling, replacement, or updating.

16.2 In-Term Covenants. You specifically acknowledge that, pursuant to this Agreement, you, your Highly Trained Personnel and other employees, contractors, and affiliates will receive valuable specialized training and Confidential Information, including information regarding our operational, sales, promotional, and marketing methods and techniques and the System. During the term of this Agreement, you must comply with Section 16.1, which is incorporated herein, and, except as otherwise approved in writing by us, you shall not either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

16.2.1 Divert or attempt to divert any business or customer of the Franchised Business or of any Re-Bath Business using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

16.2.2 Own, maintain, operate, engage in, have any interest in or provide any assistance to (whether as owner, stockholder, partner, officer, director, employee, consultant, franchisor, lessor, or otherwise) any "**Competitive Business**," which shall mean a business that offers products and/or services in connection with the replacement, remodeling, and/or updating of bathrooms, or that otherwise offers products or services that are the same as or similar to those offered by the Franchised Business, including bathroom design and other services relating to the sale and/or installation of the following products: (i) bathtub and shower base liners, (ii) bathtubs and shower bases, (iii) walk-in bathtubs, (iv) wall systems,

(v) bath accessories (such as grab bars, soap dishes, medicine cabinets, towel bars, etc.), (vi) vanity cabinets, (vii) vanity tops, (viii) toilets, (ix) flooring, (x) lighting fixtures, (xi) plumbing fixtures (shower heads and bath and sink faucets) and valves, (xii) shower doors, and (xiii) Thermal Expansion Sealant (TES), Finish Expansion Sealant (FES), butyl tape, other adhesives and other products necessary for installation of such products in the United States.

16.3 Post-Term Covenants. Except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted period equal to two (2) years from the date of: (a) a transfer permitted under Section 13 above; (b) expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to the enforcement of this Section 16.3:

16.3.1 Divert or attempt to divert any business or customer of the Franchised Business or of any Re-Bath Business using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

16.3.2 either directly or indirectly own, maintain, operate, engage in, have any interest in, or provide any assistance to (whether as owner, stockholder, partner, officer, director, employee, consultant, franchisor, lessor or otherwise) any Competitive Business which is, or is intended to be, located: (a) at the Approved Locations, (b) within the Protected Territory, (c) within ten (10) miles of the boundary defining the outer limits of the Protected Territory, (d) within a ten (10) mile radius of the Approved Locations, or (e) within the Protected Territory of another Re-Bath Business.

16.4 Publicly-Held Corporations. Sections 16.2 and 16.3 above shall not apply to ownership by you of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation. As used in this Agreement, the term "**publicly-held corporation**" shall be deemed to refer to a corporation which has securities that have been registered under the Securities Exchange Act of 1934.

16.5 Individual Covenants. You shall require and obtain execution of covenants similar to those set forth in Sections 6.3, 8, 13, 15, and this Section 16 (as to Principals), as modified to apply to an individual, from any or all of your Principals and Highly Trained Personnel. The covenants required by this Section 16.5 shall be in the form provided in Exhibit C to this Agreement (as to Principals) or Exhibit G to this Agreement (as to non-Principals). You shall deliver to us copies of such executed covenants immediately upon our request. Failure by you to obtain execution of a covenant required by this Section 16.5 shall constitute a default under Section 14.2.9 above.

16.6 Severability. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 16 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 16. It is the intent of the parties that a court shall enforce the broadest of the above covenants that is geographically and temporally reasonable under the circumstances.

16.7 Scope of Covenants. You and we acknowledge and agree that the foregoing covenants are reasonable and necessary to protect the System, the Confidential Information, and the goodwill associated with the Marks. However, we shall have the right to reduce the scope of any covenant set forth in Sections 16.2 and 16.3 in this Agreement, or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof; and you agree that you shall comply forthwith

with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 22 below.

16.8 Enforcement of Claims. The existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section 16. You agree to pay all costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses)) incurred by us in connection with the enforcement of this Section 16.

16.9 Irreparable Injury. You acknowledge that your violation of the terms of this Section 16 would result in irreparable injury to us for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of this Section 16 without the requirement of posting a bond.

16.10 Additional Remedies. The remedies in this Section 16 are in addition to the other rights and remedies available to us and shall not serve as an election of remedies or a waiver of any other rights.

## 17. TAXES, PERMITS, AND INDEBTEDNESS

17.1 Taxes. You shall promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by you in the conduct of the Franchised Business. If you are required to deduct any sales tax, gross receipts tax, income tax, withholding tax or similar tax from any payment to us, then, to the extent that we are not able to successfully obtain and utilize a tax credit from the applicable taxing authorities, the amount payable by you shall be increased by such amount as is necessary to make the actual amount received (after such withholding tax and after any additional taxes on account of such additional payment) equal to the amount that we would have received had no tax payment been required, provided that such shortfall is not caused by our negligence in filing the claims, or for reasons that can be solely attributable to us.

17.2 Tax Disputes. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Approved Locations, or any improvements thereon.

17.3 Compliance With Laws. You shall comply with all federal, state, and local laws, rules, and regulations, including employment, labor, and wage and hour laws, tax laws, and local operating regulations. You shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including licenses to do business, health certificates, fictitious name registrations, sales tax permits, and fire clearances. To the extent that the requirements of said laws are in conflict with the terms of this Agreement, the Manual, or our other instructions, you shall: (a) comply with said laws; and (b) immediately provide written notice describing the nature of such conflict to us. You acknowledge that laws, rules, regulations and permitting and license requirements vary by jurisdiction. For the avoidance of doubt, you are solely responsible for determining and complying with all laws, rules, regulations, and permitting and licensing requirements applicable to the operation of your Franchised Business under this Agreement.

17.4 Notification of Claims. You shall notify us in writing within three (3) days of receipt of notice of any health or safety violation, the 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, or within three (3) days of the occurrence of any accident or injury which may adversely

affect the operation of the Franchised Business, or the financial condition of you or the Franchised Business, or give rise to liability or a claim against you or us.

## 18. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

18.1 Independent Contractors. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them; that you shall be an independent contractor; and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, or servant of the other for any purpose whatsoever.

18.2 Identification as Independent Contractor. At all times during the term of this Agreement and any extensions hereof, you shall hold yourself out to the public as an independent contractor operating the business pursuant to a franchise from us. You must identify yourself as an Independently-Owned Re-Bath Franchisee in accordance with Section 6.2.4 of this Agreement.

18.3 No Agency. It is understood and agreed that nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and that we shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall we be liable by reason of any act or omission by you in your conduct of the Franchised Business or for any claim or judgment arising therefrom against you or us.

18.4 Indemnification. You shall, to the fullest extent permissible under applicable law, indemnify and hold us and our affiliates, and each of our respective officers, directors, employees, and agents harmless against any and all claims, obligations, and damages arising directly or indirectly from, as a result of, or in connection with this Agreement, the Franchised Business, your operation of the Franchised Business, your and your employees' actions and inaction, or your breach of this Agreement, including those alleged to be caused by our own negligence or strict liability, as well as the costs, including attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), of defending against them, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by our gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. In the event we incur any costs or expenses, including legal fees (including attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses)), travel expenses, and other charges, in connection with any proceeding involving you in which we are not a party, you shall reimburse us for all such costs and expenses promptly upon presentation of invoices. You acknowledge and agree that your indemnification and hold harmless obligations under this Section 18.4 shall survive the termination or expiration of this Agreement. For the purpose of clarity, your indemnification obligations also include any claims, obligations and damages that arise out of (i) your workmanship or your workmanship warranty (except to the extent arising out of or relating to defective product provided by us), and (ii) any allegation that we are a joint employer or otherwise responsible for your acts or omissions relating to your employees.

## 19. FORCE MAJEURE

Except as otherwise provided in this Agreement, neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if the failure to perform our or your obligations results from: transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state, or municipal government or any department or agency thereof; compliance with any law; acts of God; pandemics; epidemics; or public health emergencies ("**Force Majeure Event**"). Any delay

resulting from any Force Majeure Event will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable in the judgment of the party to whom performance is owed, except that such causes shall not excuse payments of amounts owed at the time of such occurrence or payment of fees and all other amounts due to us and our affiliates thereafter. The party whose performance is affected by any of such causes shall give prompt written notice of the circumstances of such event to the other party, but in no event more than five (5) days after the commencement of such event. The notice shall describe the nature of the Force Majeure Event, its anticipated duration and any action being taken to avoid or minimize its effect on the Franchised Business. Any suspension of performance will be of no greater scope and of no longer duration than is reasonably required; provided, however, if the suspension of performance continues for ninety (90) days from the date of the occurrence and such failure to perform would constitute an constitute an event of default under this Agreement in the absence of such Force Majeure Event, we may terminate this Agreement immediately by giving written notice to you, subject to applicable law. In no event will your inability to pay amounts due under this Agreement constitute a Force Majeure Event and no Force Majeure Event will operate to excuse you from the prompt payment of any fee or other amount due to us or our affiliates under this Agreement.

## 20. APPROVALS AND WAIVERS

20.1 Approvals. Whenever this Agreement requires the prior approval or our consent, you shall make a timely written request to us therefor, and such approval or consent must be obtained in writing.

20.2 No Warranties. You acknowledge and agree that we make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you, by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

20.3 Waivers. No delay, waiver, omission, or forbearance on our part to exercise any right, option, duty, or power arising out of any breach or default by you under any of the terms, provisions, covenants, or conditions of this Agreement, and no custom or practice by the parties at variance with the terms of this Agreement, shall constitute a waiver by us to enforce any such right, option, duty, or power as against you, or as to subsequent breach or default by you. Subsequent acceptance by us of any payments due to us hereunder shall not be deemed to be a waiver by us of any preceding or succeeding breach by you of any terms, provisions, covenants, or conditions of this Agreement.

## 21. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid; a recognized overnight delivery service (e.g., UPS, FedEx, etc.); facsimile transmission; e-mail transmission; or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on Exhibit A-1, unless and until a different address has been designated by written notice to the other party. We shall direct all notices under this Section to your Operating Owner, and notices from you to us under this Section shall be sent by your Operating Owner. Notices sent in accordance with this Section shall be deemed effectively given: (i) on the day received if personally delivered; (ii) on the day received if sent by a recognized overnight delivery service, according to the courier's record of delivery; (iii) on the day sent if by facsimile or e-mail, if sent during the party's regular business hours, and on the next business day if sent after the party's regular business hours, provided no error reports or other messages of non-delivery are returned; and (iv) on the 5th (fifth) calendar day after the date mailed by certified or registered mail.

## 22. ENTIRE AGREEMENT AND AMENDMENT

This Agreement and the exhibits referred to herein constitute the entire, full, and complete Agreement between us and you concerning the subject matter hereof, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements, no other representations having induced you to execute this Agreement. There are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, the franchise relationship, or the Franchised Business (and any understandings or agreements reached before this Agreement are superseded by this Agreement). However, and notwithstanding the foregoing, nothing in this Franchise Agreement is intended to disclaim any representations made by us in the Franchise Disclosure Document that we furnished to you. Except for those permitted to be made unilaterally by us hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

## 23. SEVERABILITY AND CONSTRUCTION

23.1 Severability. If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against any party. In the event any court or other government authority shall determine any provision in this Agreement is not enforceable as written, the parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the parties the same basic rights and obligations and has the same economic effect. If any provision in this Agreement is held invalid or otherwise unenforceable by any court or other government authority or in any other proceeding, such findings shall not invalidate the remainder of the agreement unless in our reasonable opinion the effect of such determination has the effect of frustrating the purpose of this Agreement, whereupon we shall have the right by notice in writing to the other party to immediately terminate this Agreement.

23.2 No Other Rights. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, and such of your and our respective successors and assigns as may be contemplated (and, as to you, permitted) by Section 13 above, any rights or remedies under or by reason of this Agreement.

23.3 Enforceability of Covenants. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

23.4 Construction. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof. The section headings in this Agreement are for convenient reference only and will be given no substantive or interpretive effect. The words “include” and “including” will be construed to include the words “without limitation.”

23.5 Counterparts. This Agreement may be executed in any number of counterparts each of which when so executed will be an original, but all of which together will constitute one (1) and the same instrument.

23.6 Survival of Provisions. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement.

## 24. APPLICABLE LAW AND DISPUTE RESOLUTION

24.1 Governing Law. This Agreement takes effect upon its acceptance and execution by us in Arizona. Subject to our rights under federal trademark laws, this Agreement, the rights of you and us, and the relationship between you and us (or our affiliates), and any claims related to or arising from the foregoing, shall be governed by, interpreted, and construed exclusively under the laws of the State of Arizona, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Arizona choice-of-law rules); provided, however, that if the covenants in Section 16 of this Agreement would not be enforceable under the laws of Arizona, and the Franchised Business is located outside of Arizona, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Business is located. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Nothing in this Section 24.1 is intended by the parties to subject this Agreement to any franchise, business opportunity, antitrust, consumer protection, or any other law, rule, or regulation of the State of Arizona to which this Agreement would not otherwise be subject. Further, you waive, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation.

24.2 Mediation. Except as otherwise provided in Section 24.5, before any party may refer any matter to litigation, the parties must first meet to mediate the dispute. The parties may agree on any mediator and/or mediation service to administer and conduct the mediation. In the event the parties cannot agree on a mediator within thirty (30) days of one (1) party's written request to the other party to mediate a dispute, the party requesting mediation shall submit the dispute to, and any such mediation shall be conducted by, JAMS in accordance with its then-current rules for mediation of commercial disputes. The mediation shall take place in the city and state of our principal place of business at the time the mediation is commenced. Notwithstanding anything to the contrary, this Section 24.2 shall not bar either party from obtaining injunctive relief from a court of competent jurisdiction against threatened conduct under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation; this exception includes claims involving the Marks.

24.2.1 The mediation provided for hereunder shall be commenced by the party requesting mediation (the "**complainant**") providing written notice of the request for mediation (the "**request**") to the party with whom mediation is sought (the "**respondent**"). The request shall specify with reasonable particularity the matter or matters on which mediation is sought.

24.2.2 The mediation commenced hereunder shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. Except as required by law, all aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half (½) the cost of the mediator or mediation service.

24.3 Venue. To the extent that any dispute cannot be resolved by mediation, the parties agree that any action brought by you against us in any court, whether federal or state, shall be brought only within such state and exclusively in the judicial district in which we have our principal place of business at the time the action is commenced. Any action brought by us against you in any court, whether federal or state, may be brought within the state and judicial district in which we or you have a principal place of business

at the time the action is commenced. The parties agree that this Section 24.3 shall not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue shall be as set forth above. You and your Principals hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. **ANY SUCH ACTION SHALL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A CONSOLIDATED, COMMON, OR CLASS ACTION, AND YOU AND YOUR PRINCIPALS WAIVE ANY AND ALL RIGHTS TO PROCEED ON A CONSOLIDATED, COMMON, OR CLASS BASIS.**

24.4 No Exclusive Remedies. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

24.5 Injunctive Relief. Nothing herein contained shall bar our right to obtain injunctive relief against threatened conduct that will cause us harm, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunction.

24.6 **Waiver of Jury Trial. WE AND YOU AND THE PRINCIPALS IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

24.7 **Limitation of Actions. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 24.7, ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE FRANCHISE RELATIONSHIP, OR YOUR OPERATION OF THE FRANCHISED BUSINESS (INCLUDING ANY DEFENSES AND ANY CLAIMS OF SET-OFF OR RECOUPMENT) SHALL BE IRREVOCABLY BARRED UNLESS BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS; (B) ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN ALLEGED CLAIM; OR (C) TWO (2) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM.**

24.8 **Waiver of Damages. EXCEPT WITH RESPECT TO THE EXCLUSIONS SET FORTH IN THIS SECTION 24.8, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, WE AND YOU WAIVE ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, TREBLE, INCIDENTAL, INDIRECT, MULTIPLE, CONSEQUENTIAL DAMAGES, OR OTHER SIMILAR DAMAGES AGAINST THE OTHER, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT, STATUTORY OR OTHERWISE), ANY AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN US EACH WILL BE LIMITED TO THE RECOVERY ONLY OF DIRECT DAMAGES SUSTAINED BY US OR YOU. HOWEVER, THE FOREGOING WAIVER WILL NOT APPLY TO ANY CLAIM (A) BY ANY PARTY FOR ATTORNEYS' FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT; (B) FOR ANY DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, CONSEQUENTIAL DAMAGES, FOR ADVERSE HARM TO THE MARKS OR THE SYSTEM; (C) FOR ANY PAYMENTS OWED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, UNDER SECTIONS 1.4, 4, OR SECTION 15.6; OR (D) INDEMNIFICATION AND DAMAGES FOR ANY CLAIMS ARISING UNDER OR COVERED BY SECTION 18.4 OF THIS AGREEMENT OR A GUARANTEE, INDEMNIFICATION, AND INDIVIDUAL COVENANTS. FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS SECTION 24.8 WILL PREVENT US FROM ENFORCING, OR LIMIT THE RELIEF WE MAY OBTAIN OR RECOVER IN**

**VIOLATION WITH A VIOLATION OF, SECTIONS 1.4 AND 16 OF THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF LIMITED WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES WILL CONTINUE IN FULL FORCE AND EFFECT. AS USED IN THIS SECTION 24.8, "CONSEQUENTIAL DAMAGES" MEANS DAMAGES AND INJURY THAT RESULT FROM A PARTY'S NEGLIGENT PERFORMANCE OF OR OTHER BREACH OF THIS AGREEMENT FOR: (A) LOST PROFITS; (B) COMPENSATION FOR DAMAGES TO REPUTATION AND GOODWILL INCLUDING COSTS OF OR RESULTING FROM DELAYS, FINANCING, MARKETING MATERIALS AND MEDIA TIME AND SPACE, AND COSTS OF CHANGING, SUBSTITUTING OR REPLACING THE SAME; (C) ANY AND ALL EXPENSES OF REFUNDS, COMPENSATION, AND PUBLIC NOTICES; AND (D) OTHER SUCH AMOUNTS INCURRED IN CONNECTION WITH THE MATTERS DESCRIBED HEREIN.**

24.9 Costs and Attorneys' Fees. In the event of any judicial or other proceeding between us and you (including if either we or you seek to enforce this Agreement in any judicial or other proceeding), the prevailing party shall be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel or living expenses) incurred in connection with such judicial or other proceeding.

## 25. ACKNOWLEDGMENTS

25.1 Acknowledgments. You acknowledge that you have conducted an independent investigation of the business franchised hereunder, recognize that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon your ability, and if you are a corporation or a partnership or other business organization, your owners as independent businesspersons.

25.2 Receipt of Documents. You acknowledge that you received a copy of this Agreement, the exhibit(s) hereto, and agreements relating hereto, if any, with all of the blank lines therein filled in, at least seven (7) days prior to the date on which this Agreement was executed. You further acknowledge that you received the franchise disclosure document required by the Federal Trade Commission's Franchise Rule at least fourteen (14) days prior to the date on which this Agreement was executed.

25.3 Representations and Warranties. You and your Principals represent and warrant to us that: (a) neither you nor any of your Principals have made any untrue statement of any material fact nor omitted to state any material fact in your and their franchise application and other documents and information submitted to us, or in obtaining the rights granted herein; (b) neither you nor any of your Principals have any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as otherwise completely and accurately disclosed in your franchise application materials; (c) you and your Principals have a legal right to own and operate the Franchised Business, and the Principal or officer that executes this Franchise Agreement on your behalf has all legal right and authority to execute on your behalf and to legally and contractually bind you; and (d) neither you nor your Principals (i) have been designated as suspected terrorists under U.S. Executive Order 13244; (ii) is identified, either by name or an alias, pseudonym or nickname, on the lists of "**Specially Designated Nationals**" or "**Blocked Persons**" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts available at https://www.treasury.gov/ofac/downloads/sdnlist.pdf); (iii) have not violated and will not violate any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money

laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text available at http://www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13244 (text available at https://www.state.gov/executive-order-13224/), the Foreign Corrupt Practices Act, or any similar law. You recognize you have a continuing obligation to advise us of any material changes in these statements and representations made to us in this Agreement or in the franchise application.

25.4 No Other Obligations. Each party represents and warrants to the others that his/her/its execution of this Agreement and all exhibits and addenda hereto do not violate or breach any other agreement, contract or covenant to which such party is bound, and further represents and warrants to the other parties that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

25.5 No Other Representations. You acknowledge that you shall have sole and complete responsibility for the choice of the Approved Locations; that we have not (and shall not be deemed to have, even by our approval of the sites that are the Approved Locations) given any representation, promise, or guarantee of your success at the Approved Locations; and that you shall be solely responsible for your own success at the Approved Locations and for your Franchised Business.

25.6 Modification of Offers. You acknowledge and agree that we may modify the offer of our franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

25.7 Release. You, for yourself and your owners and affiliates, and your and their respective current and former successors, assigns, officers, shareholders, directors, members, managers, agents, heirs, and personal representatives (collectively with you, "**Franchisee Parties**"), hereby fully and forever unconditionally releases and discharges us and our affiliates, and our and their respective successors, assigns, agents, representatives, employees, officers, shareholders, directors, members, managers, and insurers (collectively with us, "**Franchisor Parties**") of and from any and all claims, demands, obligations, actions, causes of action, liabilities, defenses, or damages of every kind and nature whatsoever, in law or in equity, whether known or unknown (including as hereafter may be discovered), from the beginning of time to the Effective Date ("**Released Claims**"), including, without limitation, any and all claims arising under federal, state, or local law (including, without limitation, any state or federal franchise or business opportunity law) or arising out of or relating to any agreement with us or any of the Franchisor Parties (including any other franchise agreement), the Franchised Business or any other Re-Bath Business, the parties' franchise relationship, or any relationship, agreement, or transaction with any of the Franchisor Parties, however characterized or described. Notwithstanding the foregoing, this release will not include a claim, demand, obligation, action, liability, or damages (i) arising under this Agreement after the Effective Date; or (ii) arising under state or federal franchise law and relating to the offer or execution of this Agreement, including regarding the representations made in any Franchise Disclosure Document (or its exhibits or amendments) furnished to you in connection with the offer of this Agreement.

*If any of the Franchisee Parties is a resident of California or if any Re-Bath Business owned or operated by the Franchise Parties is located in California, the following will apply:*

Section 1542 Acknowledgment. The Franchisee Parties acknowledge that they are aware and informed that the laws of California may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of the release, such as Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

The Franchisee Parties waive and relinquish every right or benefit which they have, or may have, under Section 1542 of the Civil Code of the State of California, and under any similar provisions of any other law (as may be applicable to this release), to the fullest extent that the Franchisee Parties may lawfully waive such right or benefit pertaining to the subject matter of this release. In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee Parties acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this release, but that it is each of the Franchisee Parties' intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims.

> *If any of the Franchisee Parties is a resident of South Dakota or if any Re-Bath Business owned or operated by the Franchise Parties is located in South Dakota, the following will apply:*

Section 20-7-11 Acknowledgement. The Franchisee Parties acknowledge that they are aware and informed that the laws of South Dakota may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by Releasor at the time of execution of this release, such as South Dakota Codified Laws § 20-7-11, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

The Franchisee Parties waive and relinquish every right or benefit which they have, or may have, under § 20-7-11 of the South Dakota Codified Laws, and under any similar provisions of any other law (as may be applicable to this Agreement), to the fullest extent that they may lawfully waive such right or benefit pertaining to the subject matter of this release. In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee Parties acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that the Franchisee Parties now know or believe to be true with respect to the subject matter of this release, but that it is their intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims.

25.8 Business Judgment. You understand and agree that we may operate and change the System in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interests of the franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by us; (2) our decision or the action taken

promotes our financial or other individual interest; (3) our decision or the action it takes applies differently to you and one (1) or more other franchisees or our company-owned or affiliate-owned operations; (4) our decision or the exercise of its right or discretion is adverse to your interests; or (5) our decision or action has been previously waived. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, us and you agree that such covenant shall not imply any rights or obligations that are inconsistent with the express wording of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties hereto have duly signed and delivered this Agreement in duplicate on the day and year first above written.

| | |
|---|---|
| ReBath, LLC | |
| Franchisor | Franchisee |
| By: | By: |
| Name: | Name: |
| Title: | Title: |

RE-BATH
FRANCHISE AGREEMENT
EXHIBIT A-1

**Initial Franchise Fee, Royalty, and Other Key Terms**

Effective Date: _____

Term: 10 years from the Effective Date

Franchisee Legal Name: _____

Assigned Territory Name: _____

Assigned Marketing Name: _____

Business Address: _____

Phone Number: _____ Fax Number: _____

E-Mail Address: _____

Operating Owner: _____

Population of the Protected Territory ("**Population**"): _____

Initial Franchise Fee: $50,000

Dollar amounts set forth in this Exhibit A-1 for ongoing fees or contributions are subject to an annual CPI adjustment increase as set forth in Section 4.12 of the Agreement.

* As used in the tables below the following definitions apply:

"**Person**" means an individual in the Protected Territory Population, as determined by Us in our sole discretion.

"**Year**" refers to our fiscal year, which is currently the same as the calendar year. The duration of "Year 1" will vary depending on the Effective Date of your Franchise Agreement. If your Effective Date occurs during the first 6 months of our fiscal year (currently between January 1st and June 30th), "Year 1" for purposes of the table above will commence on the date of your Effective Date and will expire at the end of that same fiscal year (currently, the ensuing December 31st). However, if your Effective Date occurs during the second 6 months of our fiscal year (currently between July 1st and December 31st), "Year 1" will commence on the date of your Effective Date and will expire at the end of our subsequent fiscal year. As a result, "Year 1" may be as short as 6 months (which would occur if the date of your Effective Date was June 30th), or as long as one year and 6 months (which would occur if the date of your Effective Date was July 1st).

Royalty Fees:

| Applicable Week's Gross Sales | Royalty Fees |
|---|---|
| Less than $0.04/Person | 6% of Gross Sales |
| Greater than or equal to $0.04/Person | 5% of Gross Sales |

Subject to applicable law, the Royalty Fees may be increased to 8% of Gross Sales if you deviate from the Pricing Program three (3) or more times in any given twelve (12) month period, evaluated on a rolling twelve (12) month basis, as set forth in Section 5.25 of the Agreement.

Minimum Royalty Fees:

| Year* | Minimum Royalty Fees Per Week |
|---|---|
| 1* | $150 per week |
| 2 | $350 per week |
| 3 | $700 per week |
| 4 and beyond | $800 per week |

Minimum Annual Gross Sales Requirement:

| Year* | Minimum Annual Gross Sales |
|---|---|
| 1* | $0.50 per Person* |
| 2 | $1.00 per Person |
| 3 & Beyond | $1.50 per Person |

Minimum Local Advertising Requirement:

| Year* | Minimum Local Advertising Requirement |
|---|---|
| 1 | $.05 per Person* |
| 2 | Greater of $0.10 per Person or 10% of Prior Calendar Quarter's Gross Sales |
| 3 and beyond | Greater of $.15 per Person or 10% of Prior Calendar Quarter's Gross Sales |

Advertising Contribution: 2% of the applicable week's Gross Sales

Minimum Advertising Contribution:

| Year* | Advertising Contribution Per Week |
|---|---|
| 1* | $75 per week |
| 2 | $175 per week |
| 3 | $350 per week |
| 4 and beyond | $400 per week |

The Advertising Fund Contribution is a separate requirement from the Minimum Local Advertising Requirement and is not credited toward those expenditures.

As set forth in Section 10.2 and Section 10.4 of the Agreement, we may, at our sole option upon thirty (30) days' prior notice to you, adjust the amount of the Advertising Contribution up to 6% of Gross Sales and/or Minimum Local Advertising Requirement up to 12% of Gross Sales; provided, the combined total of the Advertising Contribution and the Minimum Local Advertising Requirement will not exceed fifteen percent (15%) of Gross Sales.

Cooperative Contribution (if applicable): Up to 40% of the Minimum Local Advertising Requirement, which amount shall be credited toward the Minimum Local Advertising Requirement.

*[Signature Page Follows]*

Addresses for Notices:

Company: ReBath, LLC
426 N. 44th Street, Suite 410
Phoenix, Arizona 85008
Attention: Legal Department
Facsimile: (480) 833-7199
E-mail: _____

Franchisee: _____
_____
_____
Phone: _____
Fax: _____
Attn.: [Operating Owner]

| Our Acknowledgement: | Your Acknowledgement: |
|---|---|
| Re-Bath, LLC | _____ |
| Us | You |
| By: _____ | By: _____ |
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |
| Date: _____ | Date: _____ |

RE-BATH
FRANCHISE AGREEMENT
EXHIBIT A-2

**Protected Territory and Approved Locations**

1. The Protected Territory is: _____
_____
_____
_____.

2. The Approved Locations are:
_____
_____
_____
_____(Showroom Approved Location).

Initial _____ Date _____

_____
_____
_____
_____(Warehouse Approved Location).

Initial _____ Date _____

_____
_____
_____
_____(Office Approved Location).

Initial _____ Date _____

**[Note: To be completed, updated and executed when Protected Territory and Approved Locations are approved.]**

| Our Acknowledgement: | Your Acknowledgement: |
|---|---|
| Re-Bath, LLC_____ | _____ |
| Us | You |
| By:_____ | By:_____ |
| Name:_____ | Name:_____ |
| Title: _____ | Title: _____ |
| Date: _____ | Date: _____ |

RE-BATH
FRANCHISE AGREEMENT
EXHIBIT B
SITE SELECTION ADDENDUM

ReBath, LLC "**we**," "**us**" or "**our**") and _____("**you**" or "**your**") have this ____ day of _____, 20___ (the "**Effective Date**") entered into a Re-Bath Franchise Agreement ("**Franchise Agreement**") and desire to supplement its terms as set out below in this Site Selection Addendum (the "**Addendum**"). The parties hereto agree as follows:

**AGREEMENT**

1. **Time to Locate Site**: Within sixty (60) days after the Effective Date (the "**Search Period**"), You shall acquire or lease, at your expense, commercial real estate that is properly zoned for the use of the business to be conducted by you under the Franchise Agreement (the "**Franchised Business**") at a site consented to us as hereinafter provided. Such location shall be within the following area: _____

_____ (the "**Site Selection Area**"). The Site Selection Area is described solely for the purpose of selecting a site for the Franchised Business. We shall not establish, nor franchise another to establish, a Re-Bath Business operating under the System within the Site Selection Area until we consent to a location for the Franchised Business, or until the expiration of the Search Period, whichever event first occurs. You acknowledge and agree that we shall have no responsibility for, or liability to you for, any site review, analysis, evaluation, or recommendation undertaken by or on behalf of any real estate broker or advisor used or retained by you, even if such broker or advisor is approved or recommended by us. Failure by you to acquire or lease a site for the Franchised Business within the Search Period shall constitute a default under Section 14.2 of the Franchise Agreement and under this Addendum, and either (a) we may terminate the Franchise Agreement and this Addendum, pursuant to the terms of Section 14.2 of the Franchise Agreement, or (b) you may terminate the Franchise Agreement and this Addendum upon thirty (30) days prior written notice to us; provided, however, that the Initial Franchise Fee shall be refunded to you, less the amount of Five Thousand Dollars ($5,000) in consideration for our costs and expenses in providing site selection and other initial services to you.

2. **Site Selection Criteria**: We shall furnish to you suggested site selection criteria and will include our minimum standards for a location for the Franchised Business.

3. **Site Selection Package Submission and Approval**: You shall submit to us, in the form specified by us in the Manual or otherwise in writing, such site approval forms and data that we may specify, which may include a copy of the site plan, financial information, and such other information or materials as we may reasonably require, together with an option contract, letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. You acknowledge that time is of the essence. We shall have ten (10) days after receipt of a complete site selection package and request for approval and such information and materials as we may request to approve or disapprove the proposed site in writing as the location for the Franchised Business, in our sole discretion. In the event we do not disapprove a proposed site by written notice to you within said thirty (30) days, such site shall be deemed approved by us, provided such site meets our minimum standards as described in Section 3 of this Addendum.

4. **Lease Responsibilities**: Within sixty (60) days of the Effective Date, you shall execute a lease which shall be coterminous with the Franchise Agreement, or a binding agreement to purchase the site. Our approval of any lease is conditioned upon inclusion in the lease of the Lease Riders attached to the Franchise Agreement as Exhibit F. However, we shall not be responsible for review of the Lease for any terms other than those contained in the Lease Riders.

5. **Approved Locations**: After the locations for the Franchised Business are consented to by us pursuant to Section 4 hereof and leased or acquired by you pursuant to Section 5 hereof, the locations shall constitute the Approved Locations described in Section 5.8 of the Franchise Agreement. The Approved Locations shall be specified on Exhibit A-2 to the Franchise Agreement, and shall become a part of the Franchise Agreement. The Protected Territory, as defined under Section 1.2 of the Franchise Agreement, shall be the geographic area thereafter described in Exhibit A-2 to the Franchise Agreement, and shall become a part of the Franchise Agreement. You hereby acknowledge and agree that consent by us of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose. Consent by us of the site indicates only that we believe the site complies with acceptable minimum criteria established by us solely for its purposes as of the time of the evaluation. Both you and we acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to approval by us of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by us could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond our control. We shall not be responsible for the failure of a site approved by us to meet your expectations as to revenue or operational criteria. You further acknowledge and agree that your acceptance of a franchise for the operation of the Franchised Business at the site is based on your own independent investigation of the suitability of the site.

6. **Entire Agreement**: This Addendum shall be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Franchise Agreement. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to duly execute and deliver this Addendum on the date first above written.

| | |
|---|---|
| ReBath, LLC | _____ |
| Us | You |
| By: _____ | By: _____ |
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |

RE-BATH
FRANCHISE AGREEMENT
EXHIBIT C
GUARANTEE, INDEMNIFICATION, AND INDIVIDUAL COVENANTS

As an inducement to ReBath, LLC ("**we**," "**us**" or "**our**") to execute the Re-Bath Franchise Agreement between us and _____ ("**Franchisee**"), dated _____, 20__ (the "**Agreement**"), the undersigned ("**undersigned**," "**you**" or "**your**"), jointly and severally, hereby unconditionally guarantee to us and our successors and assigns that all of Franchisee's monetary and other obligations under the Agreement will be punctually paid and performed. Capitalized terms not defined herein have the meanings given in the Agreement.

The undersigned each jointly and severally agree to guarantee and be personally bound by, and personally liable for the breach of, each and every provision in the Agreement and its related agreements. Upon demand by us, the undersigned each hereby jointly and severally agree to immediately make each payment required under the Agreement and waive any right to require us to: (a) proceed against you for any payment required under the Agreement; (b) proceed against or exhaust any security from you; (c) pursue or exhaust any remedy, including any legal or equitable relief, against you; or (d) give notice of demand for payment by you. Without affecting the obligations of the undersigned under this Guarantee, we may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation, or settle, adjust, or compromise any claims against you, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

Each of the undersigned agree he or she is a "Principal" of Franchisee (or a spouse of a Principal), as defined in the Agreement. The undersigned each hereby jointly and severally agree to defend, indemnify and hold us harmless against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by you or Franchisee to perform any of your or its obligations under the Agreement, any amendment thereto, or any other agreement executed by you or Franchisee referred to therein.

Without limitation, the undersigned each hereby jointly and severally acknowledge and agree to be individually bound by, and personally liable for the breach of, all of the covenants and obligations of the Agreement, specifically including those contained in Sections 5.29 (Guarantee of Performance), 6 (Proprietary Marks), 7 (Confidential Operating Manuals), 8 (Confidential Information), 10 (Advertising and Marketing), 13 (Transfer of Interest), 15 (Obligations Upon Termination or Expiration), 16 (Covenants), 18.4 (Indemnification), 24 (Applicable Law and Dispute Resolution), 25.3 (Representations and Warranties), and 25.7 (Release) of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the "Re-Bath" marks or system licensed to Franchisee under the Agreement.

Except as otherwise approved in writing by us, the undersigned will not, for a continuous uninterrupted period equal to two (2) years from the date of: (a) a transfer permitted under 13 (Transfer of Interest) of the Agreement; (b) expiration or termination of the Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to the enforcement of this Guarantee, either (1) divert or attempt to divert any business or customer of the Franchised Business or of any Re-Bath Business using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System,

and/or (2) either directly or indirectly own, maintain, operate, engage in, have any interest in, or provide any assistance to (whether as owner, stockholder, partner, officer, director, employee, consultant, franchisor, lessor or otherwise) any Competitive Business which is, or is intended to be, located: (a) at the Approved Locations, (b) within the Protected Territory, (c) within ten (10) miles of the boundary defining the outer limits of the Protected Territory, (d) within a ten (10) mile radius of the Approved Locations, or (e) within the Protected Territory of another Re-Bath Business. "**Competitive Business**" means a business that offers products and/or services in connection with the replacement, remodeling, and/or updating of bathrooms, or that otherwise offers products or services that are the same as or similar to those offered by the Franchised Business, including bathroom design and other services relating to the sale and/or installation of the following products: (i) bathtub and shower base liners, (ii) bathtubs and shower bases, (iii) walk-in bathtubs, (iv) wall systems, (v) bath accessories (such as grab bars, soap dishes, medicine cabinets, towel bars, etc.), (vi) vanity cabinets, (vii) vanity tops, (viii) toilets, (ix) flooring, (x) lighting fixtures, (xi) plumbing fixtures (shower heads and bath and sink faucets) and valves, (xii) shower doors, and (xiii) Thermal Expansion Sealant (TES), Finish Expansion Sealant (FES), butyl tape, other adhesives and other products necessary for installation of such products in the United States.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

If we are required to enforce this Guarantee in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs, and expenses, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and interest, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the obligations and provisions below, each of the undersigned agree that all actions arising under this Guarantee or the Agreement, or otherwise as a result of the relationship between us and the undersigned, shall be governed by the provisions of Section 24 of the Agreement. Nonetheless, each of the undersigned agree that we may enforce this Guarantee and any orders and awards in the courts of the state or states in which he or she is domiciled.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Sections 23 and 24 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Arizona. In the event of any conflict of law, the laws of the State of Arizona shall prevail (without regard to, and without giving effect to, the application of Arizona conflict of law rules).

[*Signature Page Follows*]

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

GUARANTOR(S)

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____
_____

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____
_____

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____
_____

RE-BATH
FRANCHISE AGREEMENT
EXHIBIT D
LIST OF PRINCIPALS AND OWNERSHIP INTERESTS

Effective Date: This Exhibit D is current and complete as of _____, 20___

You and Your Principals and Owners

1. Form of your Entity.

(a) Sole Proprietorship. Your owner (is) as follows:

_____

(b) Corporation, Limited Liability Company, or Partnership**.** Your entity was incorporated or formed on _____, under the laws of the State of _____. It has not conducted business under any name other than the corporate, limited liability company, or partnership name and _____ _____. The following is a list, as applicable, of your partners, directors, officers and/or members as of the effective date shown above:

| Name of Each Director/Officer/Member/Manager | Position(s) Held |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |

2. Principals. The following list includes the full name of each person who is one (1) of your owners, or an owner of one (1) of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

| | Principal's Name/Address/Tax Identification No. | Percentage/Description of Interest |
|---|---|---|
| (a) | | |

(b) _____ _____

(c) _____ _____

(d) _____ _____

3. Operating Owner. Your Operating Owner as of the Effective Date is _____ (must be one (1) of the individuals listed in paragraph 2 above). You may not change the Operating Owner without our prior written approval.

[*Signature Page Follows*]

**ReBath, LLC**
Us

By:_____

Name:

Title:_____

Dated:_____

**You**

**(If you are taking the franchise as a corporation, limited liability company, or partnership):**

_____
[Name]

By:_____

Title:_____

Dated**:**_____

**(If you are taking the franchise individually and not as a legal entity):**

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

**Operating Owner:**

_____
[Signature]

_____
[Print Name]

RE-BATH
FRANCHISE AGREEMENT
EXHIBIT E
ACH ORIGINATION AUTHORIZATION

ACH Origination services will not be considered until this application is FILLED OUT COMPLETELY.

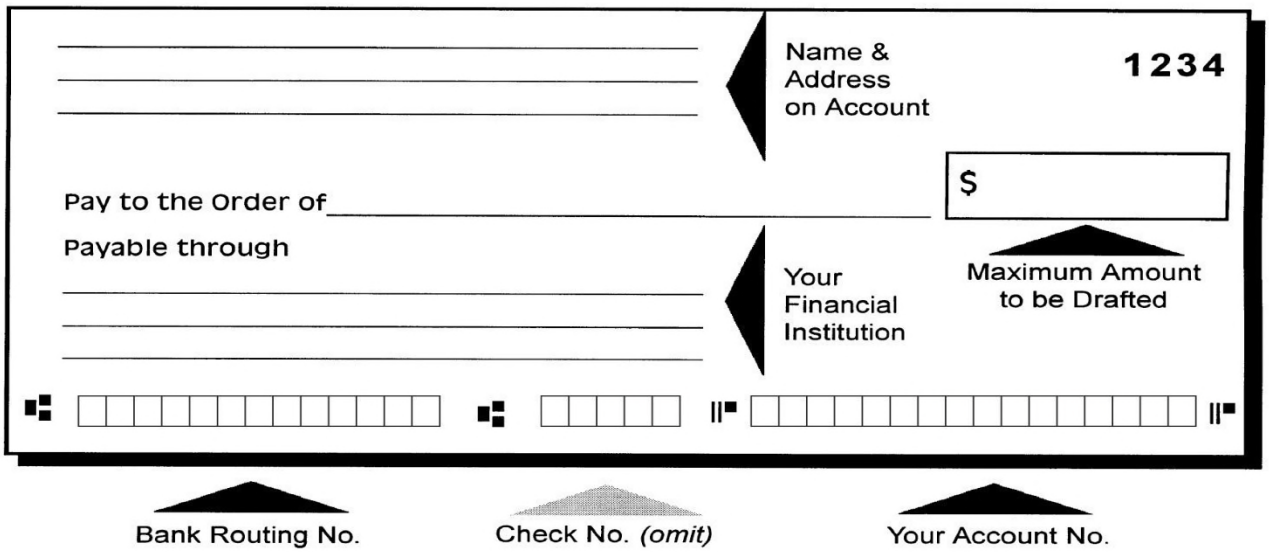
Date of Application:_____ Business Phone:_____

Name of the Company: _____

Contact Person: _____ Title:_____

Full Address: _____

***Please complete check with your banking information***




I hereby authorize ReBath, LLC, its affiliates and the financial institution named above to initiate entries to my checking/savings account identified above debit my checking/savings account identified above monthly on a day specified from time to time by ReBath, LLC to pay all fees, charges and any other amounts owed pursuant to the terms of the Franchise Agreement, as it may be amended from time to time, entered into with ReBath, LLC (including Royalty Dees, the Advertising Contribution, late fees, interest charges and any other amounts owed) with Royalty Fees and the Advertising Contribution to be in accordance with the monthly sales analysis submitted by me; and, if necessary, to initiate adjustments for any transactions credited in error. These debits are related to the operation of the Franchised Business and the amount of each debit will vary from month to month, to a maximum amount (if any) as set forth in the Franchise Agreement. This authority will remain in effect until I notify you in writing to cancel it in such time as to afford the financial institution a reasonable opportunity to act on such instructions.

FRANCHISEE

By: _____
Title: _____

RE-BATH
FRANCHISE AGREEMENT
EXHIBIT F
LEASE RIDER

THIS LEASE RIDER is made and entered into _____, 20__ by and among _____ (the "**Landlord**"), _____ (the "**Tenant**"), and ReBath, LLC, 426 N. 44th Street, Suite 410, Phoenix, Arizona 85008 ("**Re-Bath**," "**we**," "**us**" or **our**).

RECITALS:

A. This Lease Rider supplements and forms part of the attached Lease Agreement between the Landlord and the Tenant dated _____ (the "**Lease**") for the premises situated at the building (the "**Building**") know by street address as _____ _____ (the "**Premises**") to be used by the Tenant as part of a Re-Bath Business.

B. This Lease Rider is entered into in connection with Re-Bath's approval of the location of the Premises as a Re-Bath Business and the grant of a franchise to the Tenant pursuant to a Franchise Agreement dated _____, 20__ (the "**Franchise Agreement**").

C. This Lease Rider is intended to make Re-Bath or any party we designate have rights as third party beneficiaries to the Lease and to provide Re-Bath the opportunity to reserve the Premises as a Re-Bath Business under the circumstances set out below.

D. The Landlord agrees that our affiliates shall have the right but not the obligation to 1) cure defaults of Tenant and 2) to assume the Lease of the Premises on the terms, covenants and conditions contained in this Lease Rider.

THE PARTIES HEREBY AGREE:

1. UPON DEFAULT OF TENANT UNDER THE LEASE

1.1 The Landlord agrees to send to us copies of any notices of default that are given to the Tenant concurrently with the giving of such notices to the Tenant. If the Tenant fails to cure any defaults within the period specified within the notices, the Landlord shall promptly give to us further written notice ("**second notice**") specifying the defaults that the Tenant has failed to cure. For forty-five (45) days following receipt of the second written notice, we shall have the right, but not the obligation, to a) cure the default, or b) to exercise our right to enter a new Lease on the same terms as apply to the Lease or Deed of Lease by written notice to the Landlord and the Tenant. In the event that we do exercise the right to enter into a new Lease, then the circumstances described in clause 1.2 below shall apply.

1.2 The provisions of this clause 1.2 shall take effect if and when we exercise our rights pursuant to clause 1.1(a) above. We shall begin paying rent upon the Landlord delivering possession of the Premises to us as the case may be.

2. UPON TERMINATION OF THE FRANCHISE AGREEMENT

If the Franchise Agreement is terminated for any reason during the term of the Lease or any extension or renewal of the Lease, and if we shall desire to assume the Lease, we shall promptly give the Landlord written notice to this effect.

3. UPON NON-RENEWAL OF THE LEASE TERM

If the Lease contains term renewal or extension right(s) and if the Tenant allows the term to expire without exercising such right(s), the Landlord shall give us written notice to this effect and we shall have the option for thirty (30) days following receipt of such notice to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease. If we elect to exercise such right(s) we shall notify the Landlord in writing whereupon we and the Landlord shall promptly execute and exchange an agreement whereby we assume the Lease effective at the date of termination of any holding over period by the Tenant to the effect that such extension or renewal term shall have subtracted from it the number of days constituting such holding over period.

4. ADDITIONAL PROVISIONS

4.1 The Tenant agrees that termination of the Franchise Agreement shall be a default under the Lease. In the event of termination of the Franchise Agreement, or if the Tenant fails to timely cure any defaults under the Lease, the Tenant shall, within ten (10) days after written demand by us (at our option), assign all of its right, title and interest in and to the Lease to us. If the Tenant fails to do so within ten (10) days, the Tenant hereby designates us as its agent to execute any and all documents and agreements and to take all action as may be necessary or desirable to effect the assignment of the Lease and the relinquishment of any and all of the Tenant's rights thereunder. The Landlord hereby consents to such assignment subject to us executing an assignment of the Lease. The Tenant further agrees to promptly and peaceably vacate the Premises and to remove its personal property at our written request. Any property not so removed by the Tenant within ten (10) days following receipt of such written request shall be deemed abandoned by the Tenant and immediately and permanently relinquished to us. We acknowledge that where we enter into an assignment or sub-letting as referred to in clause 4.4 below we will attempt to procure, if the assignee is a company (other than a listed public company) a Deed of Guarantee in customary form approved or prepared by the landlord from the principal shareholders of the assignee company and (if required by the landlord) by the Directors of the assignee company.

4.2 The Tenant shall be and remain liable to the Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to us. We shall have no obligation, as a condition to assume the Lease, to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment. We shall be entitled to recover from the Tenant all amounts it pays to the Landlord to cure the Tenant's defaults under the Lease including interest thereon and our reasonable collection costs.

4.3 After we assume the Tenant's interest under the Lease, we may, at any time, sublet the Premises without having to obtain the prior written consent of the Landlord.

4.4 After we assume the Tenant's interest under the Lease, we may, at any time, assign our interest under the Lease to a third party, which may or may not be an operator of a Re-Bath Business, but only with the prior written consent of the Landlord and the usual provisions of the Lease concerning consent shall apply. Upon receipt by the Landlord of an assignment agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of the tenant to

be performed under the Lease, we shall thereupon be released from all liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgment of such release by the Landlord.

4.5 If the Lease or Franchise Agreement is terminated and we fail to exercise our option as described above, the Tenant agrees, upon written demand by us, to de-identify the Premises as a Re-Bath Business and to promptly remove signs, decor and other items which we reasonably request be removed as being distinctive and indicative of a Re-Bath Business. We may enter upon the Premises without being guilty of trespass or tort to effect de-identification and to take possession of any items that are owned by us or our affiliates if the Tenant fails to do so within ten (10) days after receipt of written demand from us, following termination of the Franchise Agreement or Lease. The Tenant shall pay us for our reasonable costs and expenses in effecting the de-identification. The Landlord shall not be obligated to us for such costs unless the Landlord and the Tenant share one (1) or more common owners, partners, beneficiaries or shareholders (as the case may be). The Tenant agrees and accepts that its obligations to the Landlord in respect to the provisions of the Lease concerning the removal of signage and additions and alterations at the termination of the Lease subsist notwithstanding the right made available to us pursuant to this clause.

4.6 BY EXECUTING THIS LEASE RIDER TO THE LEASE, WE DO NOT ASSUME ANY LIABILITY WITH RESPECT TO THE PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE UNLESS AND UNTIL WE EXPRESSLY ASSUME SUCH LIABILITY AND/OR OBLIGATION AS DESCRIBED ABOVE BY EXECUTING A NEW LEASE.

4.7 All notices pursuant to this Lease Rider shall be in writing and shall be personally delivered, sent by registered mail or reputable overnight delivery service or by other means which afford the sender evidence of delivery or rejected delivery to the addresses below or to such other address as any party to this Lease Rider may, either by written notice, instruct that notices be given.

EXECUTED by the parties as follows:

SIGNED by _____ )
as Landlord by its _____ )
in the presence of: )

_____
(Name of Signatory)
Title: _____

SIGNED by _____ )
as Tenant by its _____ )
in the presence of: )

_____
(Name of Signatory)
Title: _____

SIGNED by Re-Bath, LLC )
by its duly authorized officer in the )
presence of: )

_____
(Name of Signatory)
Title: _____

Addresses for Notices:

Landlord:

_____
_____
_____

Tenant:

_____
_____
_____
_____

RE-BATH
FRANCHISE AGREEMENT
EXHIBIT G
NON-DISCLOSURE AGREEMENT

**THIS NON-DISCLOSURE AGREEMENT** ("**Agreement**") is made this _____ day of _____, 20___, by and between _____ (the "**Franchisee**"), and _____, who is a Principal, manager, supervisor, member, partner, or a person in a managerial position with, Franchisee (the "**Obligee**").

BACKGROUND:

A. ReBath, LLC ("**ReBath**") as the result of the expenditure of significant time, skill, effort and money, has developed a distinctive and proprietary system (the "**System**") for establishing and operating businesses that offer and sell Residential bathroom remodeling services and related products. A "**Residence**" or "**Residential**" refers to a single-family dwelling. The distinguishing characteristics of the System include, among other things: one (1) or more specially-designed buildings or facilities with specially developed equipment, equipment layouts, and signage; distinctive interior and exterior design, décor, color scheme and furnishings, fixtures and other trade dress elements; proprietary products; standards, specifications, policies and procedures for construction, management and operations; product and installation standards, specifications, and techniques; quality, distinctiveness and uniformity of products and services; standards, specifications, and procedures for customer, lead, inventory, sales and financial management and control; customer service and satisfaction standards, policies, and procedures; training and assistance; and advertising and promotional programs all as more particularly described and designated in ReBath's confidential operating manuals and all of which ReBath may change, improve, and further develop at ReBath's option from time to time.

B. ReBath and Franchisee have executed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate one (1) Re-Bath Business (the "**Re-Bath Business**") and to offer and sell products and services approved by ReBath from vendors approved by ReBath and to use the Marks in connection therewith under the terms and conditions of the Franchise Agreement.

C. The Obligee, by virtue of his or her ownership and/or management position with Franchisee, will gain access to certain of ReBath's Confidential Information, as defined herein, and must therefore be bound by the same confidentiality agreement that Franchisee is bound by.

**IN CONSIDERATION** of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Obligee shall not, during the term of the Franchise Agreement or thereafter, communicate or divulge to, or use for the benefit of, any other person, persons, partnership, entity, association, or corporation any Confidential Information, knowledge, or know-how concerning the methods of operation of the business franchised thereunder which may be communicated to Obligee or of which Obligee may be apprised by virtue of the Franchised Business's operation under the terms of the Franchise Agreement. Any and all information, knowledge, know-how, and techniques which ReBath designates as confidential shall be deemed confidential for purposes of this Agreement, except information that you can demonstrate by written or other documentary records: (a) was rightfully known to you without restriction on use or disclosure prior to such information's being disclosed or made available to you in connection with this Agreement; (b) was or becomes generally known by the public other than by you or

any of your representatives' noncompliance with this Agreement; (c) was or is received by you on a non-confidential basis from a third party that was not or is not, at the time of such receipt, under any obligation to maintain its confidentiality; or (d) was or is independently developed by you without reference to or use of our Confidential Information.

2. Injunctive Relief. Obligee acknowledges that any failure to comply with the requirements of this Agreement will cause ReBath irreparable injury, and Obligee agrees to pay all court costs and reasonable attorneys' fees incurred by ReBath in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

3. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then the Obligee agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect ReBath's and/or Franchisee's legitimate business needs as permitted by applicable law and public policy. In so doing, the Obligee agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid. It is the intent of the parties that a court shall enforce the broadest of the above covenants that is geographically and temporally reasonable under the circumstances.

4. Delay. No delay or failure by ReBath or Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

5. Jurisdiction, Venue and Choice of Law. This Agreement shall be interpreted in accordance with the laws of the state of Arizona. Jurisdiction and venue shall be in the courts of Maricopa County, Arizona or the United States District Court for the District of Arizona, southern division, or the state and county of the residence of the guarantee or the location of the franchise, at our election.

6. Third-Party Beneficiary. Obligee hereby acknowledges and agrees that ReBath is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

**IN WITNESS WHEREOF**, Franchisee and the Obligee attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this ___ day of _____, 20___.

| FRANCHISEE | OBLIGEE |
|---|---|
| _____ | _____ |
| By:_____ | By:_____ |
| Name:_____ | Name:_____ |
| Title:_____ | Title:_____ |

RE-BATH
FRANCHISE AGREEMENT
EXHIBIT H
MEDIA SERVICES ADDENDUM

This Media Services Addendum ("Addendum") is made part of the Re-Bath® Franchise Agreement, as amended ("Agreement") by and between Re-Bath, LLC, with a principal place of business at 426 N. 44th Street Ste 410, Phoenix, AZ 85008 ("Re-Bath®" or "Company") and the Franchisee listed below ("Franchisee") for the management and placement of Digital and Broadcast Media Services (the "Services") as further described below. Re-Bath® will provide the Services and Franchisee shall pay Re-Bath® management and placement fees as outlined in Table 1 and Table 2 below and under certain addition terms and conditions. Franchisee understands and acknowledges that in addition to the management fees contained herein that Franchisee shall be responsible for any and all third-party fees associated with the placement of the Services with those third parties. This Addendum includes and incorporates the below Order Form, as well as the additional attached Terms and Conditions and contains, among other things, warranty disclaimers, liability limitations and use limitations.

| Franchisee Legal Name: | Franchise FID: | Email: |
|---|---|---|
| Term: Coterminous with the Franchise Agreement | Billing Type: Type Value | |

**Services Description:** Re-Bath® will provide the following Services in exchange for the fees outlined in Table 1 and Table 2 below.

| | |
|---|---|
| Broadcast Marketing Services | Re-Bath Marketing Media Services will research, analyze, recommend, place, optimize and report on Broadcast Media aligned with the strategy and discussions with the Franchisee. Broadcast includes but is not limited to: Linear, Cable, Radio, OTT/CTV within the local territory. |
| Digital Media Marketing Services | Re-Bath Marketing Media Services will research, analyze, recommend, create the campaign structure and audience targeting, place, optimize and report on Digital Media aligned with the strategy and discussions with the Franchisee. Digital includes, but not limited to: PPC campaigns, Social paid Ads, Video Ads, Programmatic, Re-Targeting, and other digital ad spend programming. |

**Service Fees:** Subject to the terms contained herein, Franchisee shall pay to Re-Bath® monthly management fees set forth in Table 1 and Table 2 below for the Media Spend in each Media category and in the manner outlined as Billing Type above.

**Management Fees per Service Type:**

**Digital Media**

| Media Spend (Per Month) | Management Fee (Per Month) |
|---|---|
| **$0 -$5,000** | **$900 flat** |
| **$5,001- $10,000** | **15%** |
| **$10,001 - $15,000** | **12%** |
| **$15,001-$30,000** | **10%** |
| **$30,001 +** | **7.5%** |

*Table 1

**Broadcast Media**

| Media Spend (Per Month) | Management Fee (Per Month) |
|---|---|
| **$1 -$10,000** | **10%** |
| **$10,001- $40,000** | **7.5%** |
| **$40,000 +** | **5%** |

* Table 2 – Cancellation fee: one-time payment equal to 5% of monthly spend.

**Third Party Fees**

Franchisee acknowledges that in addition to the fees associated with the Services, that there may be additional third-party fees associated with the Services and that the Franchisee shall at all times be responsible and liable for any fees or costs charged on incurred from third parties as a result of or in conjunction with this Addendum. In no event shall Re-Bath® be responsible for third party costs associated with the Service. Franchisee will be solely responsible and liable for directly paying all media costs and other fees imposed by any third party in connection with Franchisee's Broadcast and Digital Marketing or the Services described and as outlined herein.

**Additional Terms & Conditions:**

1. Nature and Scope of the Franchisee's Engagement of Re-Bath®.

a. Services. In exchange for the Monthly Management Fee described above, Re-Bath®, or its designee, will perform the Services described above (the "Services"). Re-Bath® will provide the Services in a workmanlike manner as responsively as reasonably possible under the circumstances in Re-Bath®'s determination. Without limiting the foregoing, Franchisee acknowledges that change requests may take up to three (3) business days to process and must be agreed to in writing by both parties.

b. Budget. Within thirty (30) days of the Effective Date, Franchisee will inform Re-Bath® of Franchisee's projected monthly Broadcast and Digital marketing spending ("Monthly Ad Spend"). Franchisee agrees it will spend at least its budgeted Monthly Ad Spend on broadcast marketing each month. Notwithstanding any advice, recommendations, or guidance provided by Re-Bath®, Franchisee is solely responsible for setting its budgeted Monthly Ad Spend within the deadline set forth above. Any changes to the budgeted Monthly Ad Spend must be approved by Franchisee in writing. There is no cap upon the budgeted Monthly Ad Spend that Franchisee may set for its Broadcast and Digital marketing spending.

c. Additional or Recommended Tools & Services. Re-Bath® may from time to time recommend the use of tools and services that are not included with the scope of the Services. If Franchisee chooses to utilize any of the recommended tools or services, Franchisee is responsible for all costs and fees associated there with. Franchisee agrees that any content, media, tracking numbers, other collateral, and additional services requested by Franchisee that is not enumerated above shall be billed separately by Re-Bath® at Re-Bath®'s then-current fee or cost, which then-current fee or cost will be communicated in writing to Franchisee upon Franchisee's written request.

d. Content and Media Requirements for Marketing Materials. All advertising, promotion, and marketing by or on behalf of Franchisee or Franchised Business, including all broadcast or digital marketing, is governed by and subject to the requirements and restrictions set forth in the Franchise Agreement. The Parties acknowledge and agree that the terms of the Franchise Agreement regarding the Marks and the approval, ownership, control, use of, and restrictions upon advertising, marketing, and promotional materials apply to broadcast and digital marketing and the Services related thereto, and such terms are hereby incorporated into this Addendum by reference as if fully set forth herein.

e. Call Tracking Software. All franchises are provided with a Tracking phone number provided by the Company. The Franchisee has access to with access to the Call Tracking Metrics software.

f. Franchisee's Cooperation. Upon Re-Bath®' s request, Franchise shall provide Re-Bath® with access to Franchisee's existing broadcast or digital marketing including past buys, current representation at the stations/networks and other access as deemed necessary for Re-Bath® to perform its duties herein.

g. Franchisee's Acknowledgements Regarding the Services. Franchisee acknowledges and agrees that no other person, entity, or agency (including, without limitation, Franchisee's employees) may make changes to a previously approved Meida Services buy or campaign assets without the prior written approval of Re-Bath®.

2. Term and Termination.

a. Term. The Term of this Addendum shall commence immediately upon the Effective Date and shall continue for the Term of the incorporated Franchise Agreement. After the expiration of the Term period, this Addendum shall automatically renew for successive Terms coterminous with the then in effect Franchise Agreement. Company may terminate this Addendum at any time upon notice to Franchisee and may require Franchisee to execute the then-current form of Media Services Agreement required by Company, which may be with Company or Company's affiliate.

b. Termination of Franchise Agreement. Notwithstanding the forgoing, this Addendum shall automatically terminate upon expiration or earlier termination of the Franchise Agreement.

c. Pausing Service. In the event of unforeseen circumstances, Franchisee may request in writing to Re-Bath® that Re-Bath® pause the performance of the Services. Franchisee's written request must identify the reason for the requested pause and the anticipated duration of the requested pause. Re-Bath® may approve or disapprove of a pause request at Re-Bath®'s sole option. In the event a Franchisee requests a pause of their digital campaign, and it is approved, the Franchisee shall be charged Nine Hundred Dollars ($900) per occurrence for the paused

campaign. If a Franchisee cancels placed broadcast media, a one-time cancellation fee will be charged equal to five percent (5%) of Franchisee's monthly media spend.

d. Termination By Re-Bath®. Re-Bath® may terminate this Addendum for cause upon written notice to Franchisee if Franchisee fails to cure a default of Franchisee's payment or other obligations under this Addendum or the Franchise Agreement within fourteen (14) days of receiving notice of such default from Re-Bath®. Without limiting the foregoing or any other available remedy, Re-Bath® may suspend its performance of the Services until Franchisee cures a noticed default. If the Services are suspended due to Franchisee's noticed default (including any past due amounts owed to Re-Bath® or any third parties in connection with the Services), all Broadcast or Digital marketing campaigns for Franchisee will be paused, Franchisee's access to reporting will be disabled, and any additional call-tracking numbers associated with this Addendum will be disabled until Franchisee cures the noticed default. Re-Bath® reserves the right to turn all delinquent accounts over to a third-party collection agency. In addition, Re-Bath® may terminate this Addendum for any reason upon thirty (30) days' prior written notice to Franchisee.

e. Post-Termination Obligations. Within ten (10) days following expiration or earlier termination of this Addendum for any reason, Franchisee must pay and/or reimburse Re-Bath® as set forth above for all Services performed or coordinated by Re-Bath® through the effective date of the expiration or termination. Except for an automatic termination of this Addendum due to expiration or earlier termination of the Franchise Agreement, Franchisee may opt to utilize an alternate agency approved by Re-Bath® following termination of this Addendum.

3. Fees

a. Monthly Management Fee. In exchange for the Services, Franchisee shall pay Re-Bath® a monthly management fee ("Monthly Management Fee") as described in Table 1 and Tabel 2 above. The Monthly Management Fee is due by the Fifth (5th) day of each month based on the prior month's budgeted or actual Monthly Ad Spend. The Monthly Management Fee is calculated as a percentage of Franchisee's total budgeted Monthly Ad Spend or actual Monthly Ad Spend for a given month, whichever is greater. Franchisee acknowledges and agrees that any increase in Franchisee's Monthly Ad Spend shall result in an immediate increase in the Monthly Management Fee according to the current fee schedule. The current fee schedule for calculating the Monthly Management Fee is set forth in Table 1 and Table 2 above. Franchisee acknowledges and agrees that Re-Bath® may, at its sole option, increase or otherwise modify the fee schedule for calculating the Monthly Management Fee upon thirty (30) days' prior written notice to Franchisee. All fees under this Addendum are non-refundable.

b. Third-Party Media Fees and Costs. Franchisee will be solely responsible and liable for directly paying all media costs and other fees imposed by any third party in connection with Franchisee's Broadcast and Digital Marketing or the Services. This includes, without limitation, direct payments to local television affiliate stations, local cable networks, Local cable companies, local radio stations, connected TV, over-the-top content or any other means of broadcast advertising, marketing, or promotion on the Internet or over the airwaves.

In the event Re-Bath® incurs any such third-party costs or fees in connection with or arising out of Franchisee's Broadcast or Digital Marketing or the Services, Franchisee must reimburse Re-Bath® for the full amount of such third-party costs or fees upon receipt of an invoice from Re-Bath®.

4. Indemnity. The Parties' respective third-party indemnification obligations as set forth in the Franchise Agreement apply to this Addendum and the Parties' performance hereunder.

5. Limited Warranty. ALL DELIVERABLES AND SERVICES ARE PROVIDED "AS-IS" WITH NO WARRANTIES OR INDEMNITIES OF ANY KIND AND NEITHER Re-Bath®, ITS AFFILIATES, NOR ANY THIRD-PARTY SUPPLIERS, IF ANY, MAKE ANY EXPRESS REPRESENTATIONS OR WARRANTIES WITH REGARD TO ANY PRODUCTS OR SERVICES OR OTHERWISE RELATED TO THE ADDENDUM OR AGREEMENT. Re-Bath® DOES NOT WARRANT UNINTERRUPTED OR ERROR FREE OPERATION OF DELIVERABLES OR SERVICES.TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, Re-Bath® DISCLAIMS ALL WARRANTIES IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

6 .Limitation of Liability; Monetary Cap. IN NO EVENT SHALL Re-Bath® BE LIABLE UNDER ANY THEORY OF TORT, CONTRACT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, OR FOR ANY LOSS OF PROFITS, REVENUE, OR DATA, EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER Re-Bath® HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.IN NO EVENT SHALL Re-Bath®'s AGGREGATE LIABILITY TO FRANCHISEE OR ANY THIRD PARTY FOR ANY CLAIMS, LOSSES, INJURIES, SUITS, DEMANDS, JUDGMENTS, LIABILITIES, COSTS, EXPENSES OR DAMAGES FOR ANY CAUSE WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, THOSE ARISING OUT OF OR RELATED TO THIS ADDENDUM OR AGREEMENT) AND REGARDLESS OF THE FORM OF ACTION OR LEGAL THEORY, EXCEED THE MANAGEMENT FEES PAID BY FRANCHISEE TO Re-Bath® IN THE PRIOR THREE(3) MONTHS TO THE

EVENT THAT GAVE RISE TO SUCH CLAIM. THE LIMITATIONS OF LIABILITY REFLECT THE ALLOCATION OF RISK BETWEEN THE PARTIES. THE LIMITATIONS SPECIFIED SHALL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS ADDENDUM OR AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

7. Confidential Information. Each party acknowledges that it shall have access to certain confidential information of the other Party, including the terms and conditions of this Addendum. "Confidential Information" includes all non-public, confidential, or proprietary information disclosed by the other Party or identified by a Party as confidential. Each Party's Confidential Information shall (i) remain the sole property of that Party and (ii) be used by the other Party only as described herein and may not be disclosed ,provided, or otherwise made available to any other third Party except that such Confidential Information may be disclosed to the other Party's employees or agents who have a need to know in the scope of their work during the time they are performing services under this Addendum and are under the other Party's security and control. Confidential Information does not include (i) information that the recipient can establish was already known to the recipient at the time it was disclosed in connection with this Addendum, (ii) information that is developed independently by the recipient or received from another third Party lawfully in possession of the information and having no duty to keep the information confidential, (iii) information that becomes publicly known other than by a breach of this Addendum of the Agreement, or (iv) information disclosed in accordance with a valid court order or other valid legal process. Each Party agrees to hold the Confidential Information of the other Party in strictest confidence and not to copy, reproduce, distribute, publish, or disclose such Confidential Information to any person except as expressly permitted by this Addendum.

8. Dispute Resolution; Choice of Law. This Addendum shall be governed by and construed in accordance with the laws of the state of Arizona, without reference to its conflict of law provisions. The Parties agree that disputes relating to or arising out of this Addendum, or to recover damages caused by its breach or other relief, will be governed by the dispute resolution provisions of the Franchise Agreement.

9. Assignment. Franchisee may not assign this Addendum, in whole or in part. Re-Bath® has the absolute, unrestricted right, exercisable at any time, to transfer, assign, and/or delegate this Addendum or any part of its rights and obligations under this Addendum, to any person or legal entity. Subject to the foregoing, this Addendum shall be binding upon, and shall inure to the benefit of, the Parties and their respective successors and permitted assigns. Any assignment or assumption in violation of this Section shall be null and void.

10. Except as changed herein, no other provisions of the Re-Bath® Franchise Agreement are changed by this Addendum. Capitalized terms used in this Addendum and not otherwise defined shall have the meaning ascribed to them in the Agreement. In the event of a conflict or inconsistency between the provisions of this Addendum and the Agreement (as may be amended from time to time), the provisions of this Addendum shall control until stated otherwise in a subsequent amendment, addendum or document executed by both parties. By signature below, each of the Parties acknowledge that (i) it has read, understood, and approved of this Addendum, (ii) the provisions contained in this Addendum represent an agreed distribution of risk that is reflected in the obligations under this Addendum and Agreement, (iii) this Addendum has been fully and fairly negotiated, (iv) it has had ample opportunity to question the other Party regarding the provisions of this Addendum and Agreement, and (v) it agrees to be legally bound by this Addendum and Agreement.

IN WITNESS WHEREOF, Re-Bath® and Franchisee execute this Addendum with the intent of being mutually bound by its terms. The signatories below warrant and represent their authority and capacity to bind the entity for which they sign.

| | |
|---|---|
| **RE-BATH®:**<br>**RE-BATH, LLC** | **FRANCHISEE:**<br>**[INSERT FRANCHISEE ENTITY]** |
| By: _____ | By: _____ |
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |

# Media Services Agreement

This Media Services Agreement ("Agreement") is entered into by and between Home Brands Group Services, LLC with a principal place of business at 426 N. 44th Street Ste 410, Phoenix, AZ 85008 ("Company") and the Franchised Business listed below ("Franchisee") for the management and placement of Digital and Broadcast Media Services ( the "Services") as further described below. Company will provide the Services and Franchisee shall pay Company management and placement fees as outlined in Table 1, Table 2, Table 3 and Table 4 below and under certain addition terms and conditions. Franchisee understands and acknowledges that in addition to the management fees contained herein that Franchisee shall be responsible for any and all third-party fees associated with the placement of the Services with those third parties. This Agreement includes and incorporates the below Order Form, as well as the additional attached Terms and Conditions and contains, among other things, warranty disclaimers, liability limitations and use limitations.

| Franchisee Legal Name: | Franchise FID: | Email: |
|---|---|---|
| Effective Date: Click or tap to enter a date.<br><br>Term: Six (6) months from Effective Date | Billing Type: Type Value | |

**Services Description:** Company will provide the following Services in exchange for the Service fees outlined in Table 1, Table 2, Table 3 and Table 4 below. Company Marketing Media Services will research, analyze, recommend, place, optimize and report on the selected media aligned with the strategy and discussions with the Franchisee. Services include but is not limited to: Linear, Cable, Radio, OTT/CTV within the local territory, PPC campaigns, Social paid Ads, Video Ads, Programmatic, Re-Targeting, and other digital ad spend programming.

**Service Fees:** Subject to the terms contained herein, Franchisee shall pay to Company monthly management fees set forth in Table 1, Table 2, Table 3 and Table 4 below for the Media Spend in each Media category and in the manner outlined as Billing Type above. Commission, for the purpose of Cancellation fee shall mean the planned spend per month for cancelled Service.

**Management Fees per Service Type**

**Linear Media**

| Media Spend (Per Month) | Management Fee (Per Month) |
|---|---|
| **$0 -$10,000** | **10%** |
| **$10,001- $40,000** | **7.5%** |
| **$40,001 +** | **5%** |

*Table 1 – Fees calculated based on Gross Spend
Cancelation Fee – 5% Commission

**OTT Media**

| Media Spend (Per Month) | Management Fee (Per Month) |
|---|---|
| **$1 -$10,000** | **10%** |
| **$10,001- $40,000** | **7.5%** |
| **$40,000 +** | **5%** |

* Table 2 – Fee calculated based on Net Spend
Cancelation fee - 5% Commission

**Other Lead Generating Media**

| Media Spend (Per Month) | Management Fee (Per Month) |
|---|---|
| **$1 -$10,000** | **10%** |
| **$10,001- $40,000** | **7.5%** |
| **$40,000 +** | **5%** |

* Table 3 – Fee calculated based on Net Spend
Cancelation fee - 5% Commission

**Digital Media**

| Media Spend (Per Month) | Management Fee (Per Month) |
|---|---|
| **$1 -$5,000** | **$900 flat min.** |
| **$5,001- $10,000** | **15%** |
| **$10,001 - $15,000** | **12%** |
| **$15,001 - $30,000** | **10%** |
| **$30,001 +** | **8%** |

* Table 4 – Fee calculated based on Net Spend
Cancelation fee subject to 2(c) below.

**Third Party Fees**

Franchisee acknowledges that in addition to the fees associated with the Services, that there may be additional third-party fees associated with the Services and that the Franchisee shall at all times be responsible and liable for any fees or costs charged on incurred from third parties as a result of or in conjunction with this Agreement. In no event shall Company be responsible for third party costs associated with the Service. Franchisee will be solely responsible and liable for directly paying all media costs and other fees imposed by any third party in connection with Franchisee's Broadcast and Digital Marketing or the Services described and as outlined herein.

**Additional Terms & Conditions:**

1. Nature and Scope of the Franchisee's Engagement of Company.

a. Services. In exchange for the Monthly Management Fee described above, Company, or its designee, will perform the Services described above (the "Services"). Company will provide the Services in a workmanlike manner as responsively as reasonably possible under the circumstances in Company's determination. Without limiting the foregoing, Franchisee acknowledges that change requests may take up to three (3) business days to process and must be agreed to in writing by both parties.

b. Budget. Within thirty (30) days of the Effective Date, Franchisee will inform Company of Franchisee's projected monthly Broadcast and Digital marketing spending ("Monthly Ad Spend"). Franchisee agrees it will spend at least its budgeted Monthly Ad Spend on broadcast marketing each month. Notwithstanding any advice, recommendations, or guidance provided by Company, Franchisee is solely responsible for setting its budgeted Monthly Ad Spend within the deadline set forth above. Any changes to the budgeted Monthly Ad Spend must be approved by Franchisee in writing. There is no cap upon the budgeted Monthly Ad Spend that Franchisee may set for its Broadcast and Digital marketing spending.

c. Additional or Recommended Tools & Services. Company may from time to time recommend the use of tools and services that are not included with the scope of the Services. If Franchisee chooses to utilize any of the recommended tools or services, Franchisee is responsible for all costs and fees associated there with. Franchisee agrees that any content, media, tracking numbers, other collateral, and additional services requested by Franchisee that is not enumerated above shall be billed separately by Company at Company's then-current fee or cost, which then-current fee or cost will be communicated in writing to Franchisee upon Franchisee's written request.

d. Content and Media Requirements for Marketing Materials. All advertising, promotion, and marketing by or on behalf of Franchisee or Franchised Business, including all broadcast or digital marketing, is governed by and subject to the requirements and restrictions set forth in the Franchise Agreement. The Parties acknowledge and agree that the terms of the Franchise Agreement regarding the Marks and the approval, ownership, control, use of, and restrictions upon advertising, marketing, and promotional materials apply to broadcast and digital marketing and the Services related thereto, and such terms are hereby incorporated into this Agreement by reference as if fully set forth herein.

e. Call Tracking Software. All franchises are provided with a Tracking phone number provided by the Company. The Franchisee has access to with access to the Call Tracking Metrics software.

f. Franchisee's Cooperation. Upon Company' s request, Franchise shall provide Company with access to Franchisee's existing broadcast or digital marketing including past buys, current representation at the stations/networks and other access as deemed necessary for Company to perform its duties herein.

g. Franchisee's Acknowledgements Regarding the Services. Franchisee acknowledges and agrees that no other person, entity, or agency (including, without limitation, Franchisee's employees) may make changes to a previously approved Meida Services buy or campaign assets without the prior written approval of Company.

2. Term and Termination.

f. Term. The Term of this Agreement shall commence immediately upon the Effective Date and shall continue for the Term described above. After the expiration of the Term period, this Agreement shall automatically renew for successive Terms unless otherwise terminated in writing by either Party with thirty (30) days' notice and in accordance with the termination provisions contained herein.

g. Termination of Franchise Agreement. Notwithstanding the forgoing, this Agreement shall automatically terminate upon expiration or earlier termination of the Franchise Agreement.

h. Pausing Service. In the event of unforeseen circumstances, Franchisee may request in writing to Company that Company pause the performance of the Services. Franchisee's written request must identify the reason for the requested pause and the anticipated duration of the requested pause. Company may approve or disapprove of a pause request at Company's sole option. In the event a Franchisee requests a pause of their digital campaign, and it is approved, the Franchisee shall be charged Nine Hundred Dollars ($900) per occurrence for the paused campaign. If a Franchise cancels placed media, a charge of 5% of the broadcast media cancelled placement/Cancelation fee will still be charged.

i. Termination By Company. Company may terminate this Agreement for cause upon written notice to Franchisee if Franchisee fails to cure a default of Franchisee's payment or other obligations under this Agreement or the Franchise Agreement within fourteen (14) days of receiving notice of such default from Company. Without limiting the foregoing or any other available remedy, Company may suspend its performance of the Services until Franchisee cures a noticed default. If the Services are suspended due to Franchisee's noticed default (including any past due amounts owed to Company or any third parties in connection with the Services), all Broadcast or Digital marketing campaigns for Franchisee will be paused, Franchisee's access to reporting will be disabled, and any additional call-tracking numbers associated with this Agreement will be disabled until Franchisee cures the noticed default. Company reserves the right to turn all delinquent accounts over to a third-party collection agency. In addition, Company may terminate this Agreement for any reason upon thirty (30) days' prior written notice to Franchisee.

j. Post-Termination Obligations. Within ten (10) days following expiration or earlier termination of this Agreement for any reason, Franchisee must pay and/or reimburse Company as set forth above for all Services performed or coordinated by Company ® through the effective date of the expiration or termination. Except for an automatic termination of this Agreement due to expiration or earlier termination of the Franchise Agreement, Franchisee may opt to utilize an alternate agency approved by Company following termination of this Agreement.

3. Fees

a. Monthly Management Fee. In exchange for the Services, Franchisee shall pay Company a monthly management fee ("Monthly Management Fee") as described in Table 1, Table 2, Table 3 and Table 4 above. The Monthly Management Fee is due by the Fifth (5th) day of each month based on the prior month's budgeted or actual Monthly Ad Spend. The Monthly Management Fee is calculated as a percentage of Franchisee's total budgeted Monthly Ad Spend or actual Monthly Ad Spend for a given month, whichever is greater. Franchisee acknowledges and agrees that any increase in Franchisee's Monthly Ad Spend shall result in an immediate increase in the Monthly Management Fee according to the current fee schedule. The current fee schedule for calculating the Monthly Management Fee is set forth in Table 1, Table 2, Table 3 and Table 4 above. Franchisee acknowledges and agrees that Company may, at its sole option, increase or otherwise modify the fee schedule for calculating the Monthly Management Fee upon thirty (30) days' prior written notice to Franchisee. All fees under this Agreement are non-refundable and are due and payable upon invoice receipt.

b. Third-Party Media Fees and Costs. Franchisee will be solely responsible and liable for directly paying all media costs and other fees imposed by any third party in connection with Franchisee's Broadcast and Digital Marketing or the Services. This includes, without limitation, direct payments to local television affiliate stations, local cable networks, Local cable companies, local radio stations, connected TV, over-the-top content or any other means of broadcast advertising, marketing, or promotion on the Internet or over the airwaves.

In the event Company incurs any such third-party costs or fees in connection with or arising out of Franchisee's Broadcast or Digital Marketing or the Services, Franchisee must reimburse Company for the full amount of such third-party costs or fees upon receipt of an invoice from Company.

4. Indemnity. Franchisee shall defend, indemnify, and hold harmless Company and its directors, officers, employees, and agents (each a "Company Party") if Company is involved in any cause of action, suit, arbitration, alternative dispute resolution proceeding, administrative hearing or other proceeding, whether of a civil, criminal, administrative or investigative nature, and any appeal therefrom (a "Proceeding") in connection with (a) any act or omission or misconduct of the Franchisee in the performance of this Agreement, (b) any claim that the Services or work product thereof infringe copyright, patent, trademark, or any other proprietary rights, or (c) Franchisee's failure to comply with any provision of this Agreement; against (1) any and all reasonable attorneys' fees, retainers, court filing fees, arbitration fees, investigation fees, professional fees, court costs, transcript costs, fees and expenses of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and other disbursements or expenses of the types customarily incurred in connection with a Proceeding (collectively, the "Expenses"), and (2) any and all causes of action, claims, liabilities, losses, judgments, fines, penalties, settlement payments, awards, interest, damages (including punitive damages), diminution in value or any other charge in connection with a Proceeding (collectively, the "Losses" and together with the "Expenses", the "Indemnity Costs").

5. Limited Warranty. ALL DELIVERABLES AND SERVICES ARE PROVIDED "AS-IS" WITH NO WARRANTIES OR INDEMNITIES OF ANY KIND AND NEITHER Company, ITS AFFILIATES, NOR ANY THIRD-PARTY SUPPLIERS, IF ANY, MAKE ANY EXPRESS REPRESENTATIONS OR WARRANTIES WITH REGARD TO ANY PRODUCTS OR SERVICES OR OTHERWISE RELATED TO THE AGREEMENT OR AGREEMENT. COMPANY DOES NOT WARRANT UNINTERRUPTED OR ERROR FREE OPERATION OF DELIVERABLES OR SERVICES.TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, COMPANY DISCLAIMS ALL WARRANTIES IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

6. Limitation of Liability; Monetary Cap. IN NO EVENT SHALL COMPANY BE LIABLE UNDER ANYTHEORY OF TORT, CONTRACT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, OR FOR ANY LOSS OF PROFITS, REVENUE, OR DATA, EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER COMPANY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.IN NO EVENT SHALL COMPANY'S AGGREGATE LIABILITY TO FRANCHISEE OR ANY THIRD PARTY FOR ANY CLAIMS, LOSSES, INJURIES, SUITS, DEMANDS, JUDGMENTS, LIABILITIES, COSTS, EXPENSES OR DAMAGES FOR ANY CAUSE WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, THOSE ARISING OUT OF OR RELATED TO THIS AGREEMENT OR AGREEMENT) AND REGARDLESS OF THE FORM OF ACTION OR LEGAL THEORY, EXCEED THE MANAGEMENT FEES PAID BY FRANCHISEE TO COMPANY. IN THE PRIOR THREE (3) MONTHS TO THE EVENT THAT GAVE RISE TO SUCH CLAIM. THE LIMITATIONS OF LIABILITY REFLECT THE ALLOCATION OF RISK BETWEEN THE PARTIES. THE LIMITATIONS SPECIFIED SHALL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT OR AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

7. Confidential Information. Each party acknowledges that it shall have access to certain confidential information of the other Party, including the terms and conditions of this Agreement. "Confidential Information" includes all non-public, confidential, or proprietary information disclosed by the other Party or identified by a Party as confidential. Each Party's Confidential Information shall (i) remain the sole property of that Party and (ii) be used by the other Party only as described herein and may not be disclosed ,provided, or otherwise made available to any other third Party except that such Confidential Information may be disclosed to the other Party's employees or agents who have a need to know in the scope of their work during the time they are performing services under this Agreement and are under the other Party's security and control. Confidential Information does not include (i) information that the recipient can establish was already known to the recipient at the time it was disclosed in connection with this Agreement, (ii) information that is developed independently by the recipient or received from another third Party lawfully in possession of the information and having no duty to keep the information confidential, (iii) information that becomes publicly known other than by a breach of this Agreement of the Agreement, or (iv) information disclosed in accordance with a valid court order or other valid legal process. Each

Party agrees to hold the Confidential Information of the other Party in strictest confidence and not to copy, reproduce, distribute, publish, or disclose such Confidential Information to any person except as expressly permitted by this Agreement.

8. Dispute Resolution; Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Arizona, without reference to its conflict of law provisions. The Parties agree that disputes relating to or arising out of this Agreement, or to recover damages caused by its breach or other relief, will be governed by the dispute resolution provisions of the Franchise Agreement.

9. Assignment. Franchisee may not assign this Agreement, in whole or in part. Company has the absolute, unrestricted right, exercisable at any time, to transfer, assign, and/or delegate this Agreement or any part of its rights and obligations under this Agreement, to any person or legal entity. Subject to the foregoing, this Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respective successors and permitted assigns. Any assignment or assumption in violation of this Section shall be null and void.

10. Capitalized terms used in this Agreement and not otherwise defined shall have the meaning ascribed to them in the Agreement. By signature below, each of the Parties acknowledge that (i) it has read, understood, and approved of this Agreement, (ii) the provisions contained in this Agreement represent an agreed distribution of risk that is reflected in the obligations under this Agreement, (iii) this Agreement has been fully and fairly negotiated, (iv) it has had ample opportunity to question the other Party regarding the provisions of this Agreement, and (v) it agrees to be legally bound by this Agreement.

IN WITNESS WHEREOF, Company and Franchisee execute this Agreement with the intent of being mutually bound by its terms. The signatories below warrant and represent their authority and capacity to bind the entity for which they sign.

| **Company:** | **FRANCHISEE:** |
|---|---|
| **Home Brands Group Services, LLC** | **[INSERT FRANCHISEE ENTITY]** |
| By: _____ | By: _____ |
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |

# FINANCIAL STATEMENTS

# EXHIBIT C

# ReBath, LLC

Consolidated Financial Report
December 31, 2025

**Contents**


| | |
|---|---|
| Independent auditor's report | 1-2 |
| Financial statements | |
| Consolidated balance sheets | 3 |
| Consolidated statements of income | 4 |
| Consolidated statements of changes in member's equity | 5 |
| Consolidated statements of cash flows | 6 |
| Notes to consolidated financial statements | 7-13 |

RSM

RSM US LLP

# Independent Auditor's Report

Board of Managers
ReBath, LLC

## Opinion

We have audited the consolidated financial statements of ReBath, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the related consolidated statements of income, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free 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 within one year after the date that the financial statements are issued or available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

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



RSM US LLP is the U.S. member firm of RSM International, a global network of independent assurance, tax, and consulting firms.
Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

In performing an audit in accordance with GAAS, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

RSM US LLP

Milwaukee, Wisconsin
July 6, 2026

**ReBath, LLC**

**Consolidated Balance Sheets**
**December 31, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash | **$ 1,101,431** | $ - |
| Restricted cash | **301,634** | 837,976 |
| Trade accounts receivable, net | **5,325,420** | 3,031,694 |
| Inventory | **440,375** | - |
| Other receivables | **3,065,649** | 1,557,534 |
| Prepaid expenses and other assets | **2,822,885** | 600,733 |
| **Total current assets** | **13,057,394** | 6,027,937 |
| Property and equipment, net | **554,245** | - |
| Operating lease right-of-use assets | **1,502,835** | - |
| Finance lease right-of-use assets | **46,366** | - |
| **Total assets** | **$ 15,160,840** | $ 6,027,937 |
| **Liabilities and Member's Equity** | | |
| Current liabilities: | | |
| Accounts payable—trade | **$ 1,213,996** | $ 442,193 |
| Accounts payable—due to parent | **18,512,566** | 13,177,857 |
| Accrued liabilities | **1,539,669** | 1,025,845 |
| Deferred revenue, current | **1,555,763** | 244,108 |
| Current portion of operating lease obligations | **631,046** | - |
| Current portion of finance lease obligations | **17,919** | - |
| **Total current liabilities** | **23,470,959** | 14,890,003 |
| Deferred revenue, non-current | **927,114** | 1,118,003 |
| Operating lease obligations, net of current portion | **912,278** | - |
| Finance lease obligations, net of current portion | **30,568** | - |
| **Total liabilities** | **25,340,919** | 16,008,006 |
| Member's (deficit) equity: | | |
| Member's capital | **35,763,764** | 35,763,764 |
| Affiliate receivable | **(91,588,655)** | (72,469,308) |
| Unallocated earnings | **45,644,812** | 26,725,475 |
| **Total member's deficit** | **(10,180,079)** | (9,980,069) |
| **Total liabilities and member's deficit** | **$ 15,160,840** | $ 6,027,937 |

See notes to consolidated financial statements.

**ReBath, LLC**

**Consolidated Statements of Income**
**Years Ended December 31, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| Net sales | **$ 58,466,052** | $ 34,444,910 |
| Cost of goods sold | **11,390,389** | 823,427 |
| **Gross profit** | **47,075,663** | 33,621,483 |
| Operating expenses: | | |
| General and administrative | **17,952,668** | 7,381,503 |
| Advertising fund expense | **10,203,658** | 13,612,789 |
| | **28,156,326** | 20,994,292 |
| **Net income** | **$ 18,919,337** | $ 12,627,191 |

See notes to consolidated financial statements.

**ReBath, LLC**

**Consolidated Statements of Changes in Member's Equity**
**Years Ended December 31, 2025 and 2024**

| | Member's Capital | Affiliate Receivable | Unallocated Earnings | Total |
|---|---|---|---|---|
| Balance December 31, 2023 | $ 35,763,764 | $ (53,909,488) | $ 14,098,284 | $ (4,047,440) |
| Borrowings on affiliate receivable | - | (18,559,820) | - | (18,559,820) |
| Net income | - | - | 12,627,191 | 12,627,191 |
| Balance December 31, 2024 | 35,763,764 | (72,469,308) | 26,725,475 | (9,980,069) |
| Borrowings on affiliate receivable | - | (19,119,347) | - | (19,119,347) |
| Net income | - | - | 18,919,337 | 18,919,337 |
| **Balance December 31, 2025** | **$ 35,763,764** | **$ (91,588,655)** | **$ 45,644,812** | **$ (10,180,079)** |

See notes to consolidated financial statements.

**ReBath, LLC**

**Consolidated Statements of Cash Flows**
**Years Ended December 31, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income | **$ 18,919,337** | $ 12,627,191 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | **30,339** | - |
| Changes in operating assets and liabilities: | | |
| Trade receivables | **(1,438,218)** | (1,067,724) |
| Other receivables | **(1,508,115)** | (461,961) |
| Inventory | **801,847** | - |
| Prepaid expenses and other assets | **(2,103,569)** | 190,695 |
| Accounts payable | **(62,281)** | 125,314 |
| Accrued expenses and other | **434,928** | (183,507) |
| Deferred revenue | **(824,414)** | 475,700 |
| **Net cash provided by operating activities** | **14,249,854** | 11,705,708 |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | **(226,420)** | - |
| **Net cash used in investing activities** | **(226,420)** | - |
| Cash flows from financing activities: | | |
| Affiliate receivables | **(13,449,651)** | (17,236,860) |
| Principal payments on finance lease liabilities | **(8,694)** | - |
| **Net cash used in financing activities** | **(13,458,345)** | (17,236,860) |
| **Net change in cash and restricted cash** | **565,089** | (5,531,152) |
| Cash and restricted cash: | | |
| Beginning | **837,976** | 6,369,128 |
| Ending | **$ 1,403,065** | $ 837,976 |

See notes to consolidated financial statements.

## Note 1. Summary of Significant Accounting Policies

**Nature of operations:** ReBath, LLC (the Company), a limited liability company organized under the laws of Delaware, is a wholly owned subsidiary of Home Brands Group, LLC. The Company is a single-member entity. The Company is a franchising company which services a network of franchised territories specializing in the sale and installation of bathroom remodeling products to primarily residential customers. The franchised territories operate throughout the United States.

The Company has established a national media fund, ReBath National Media Fund (the Media Fund), a national advertising fund, ReBath National Advertising Fund (the Advertising Fund), and a national brand fund, ReBath National Brand Fund (the Brand Fund) as provided for under the Company's Franchise Disclosure Document (FDD). The Company segregates assets of the Media Fund, Advertising Fund, and Brand Fund, and has significant input into the use of the segregated funds.

ReBath Corp Store HoldCo, LLC is engaged in the business of all-inclusive bathroom and kitchen remodeling services. The Company's operations include marketing, selling, and installation of remodeling products and services across Arizona, North Carolina, and South Carolina. ReBath Corp Store HoldCo, LLC was a newly formed entity in June 2025 for purposes of acquisition of outstanding equity interests of K Kittle LLC and CNC Stone, LLC by Home Brands Group Holdings, Inc., the parent company of ReBath, LLC.

**Basis of presentation:** The accompanying consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

**Principles of consolidation:** The consolidated financial statement include the accounts of ReBath, LLC and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

**Accounting estimates:** The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

**Concentrations of credit risk:** Financial instruments which potentially subject the Company to significant concentrations of credit risk consist primarily of cash and trade accounts receivable. The Company's cash balances periodically may exceed federally insured limits. The Company extends credit to its customers in the normal course of business and performs ongoing credit evaluations of customers' financial condition.

### Note 1. Summary of Significant Accounting Policies (Continued)

**Allowance for expected credit losses:** The allowance for expected credit losses is an estimate of amounts that may not be collectible. In determining the amount of the allowance, the Company makes judgments about general economic conditions, historical write-off experience, and any specific risks identified in the customer collection matters, including the aging of unpaid accounts receivable and changes in customer financial conditions. The Company does not accrue interest on past due accounts. Account balances are written off after all means of collection are exhausted and the potential for non-recovery is determined to be probable. Adjustments to the allowance for credit losses are recorded as selling and administrative expenses in the consolidated statements of income. Activity in the Company's allowance for expected credit losses for December 31, 2025 and 2024 is as follows:

| | 2025 | 2024 |
|---|---|---|
| Beginning balance | $ 115,530 | $ 61,777 |
| Credit loss charges | 70,101 | 95,976 |
| Uncollectible accounts written off, net of recoveries | (85,391) | (42,223) |
| Ending balance | $ 100,240 | $ 115,530 |

**Inventories:** Inventories consist of finished goods and are stated at the lower of cost or net realizable value. Cost is determined by the weighted average method, and market represents the lower of replacement cost or estimated net realizable value.

Property and equipment: Property and equipment is recorded at cost less accumulated depreciation. Depreciation and amortization for financial reporting purposes is computed on the straight-line method over the estimated useful lives of the depreciable assets. Upon sale or retirement of depreciable properties, the related cost and accumulated depreciation are removed from the accounts. Depreciation expense totaled approximately $19,500 for the year ended December 31, 2025.

**Leases:** The Company, in accordance with ASC 842, determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company recognizes most leases on its consolidated balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the consolidated statements of income.

The Company made an accounting policy election under ASC 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, the Company recognizes ROU assets and lease liabilities based on the present value of lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. As most of the Company's leases do not provide an implicit interest rate, local incremental borrowing rates based on the information available at the commencement date are used in determining the present value of future payments.

**Note 1. Summary of Significant Accounting Policies (Continued)**

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index). Subsequent changes to an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Company's leases may include a non-lease component representing additional services transferred to the Company, such as common area maintenance for real estate. The Company made an accounting policy election to account for each separate lease component and the non-lease components associated with that lease component as a single lease component. Non-lease components that are variable in nature are recorded in variable lease expense in the period incurred.

**Income taxes:** The Company accounts for Income Taxes using the liability method. As such, deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are calculated using the enacted tax rates and laws that are expected to be in effect when the anticipated reversal of these differences is scheduled to occur. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company follows the provisions of the Account for Uncertainty in Income Taxes subtopic of the Income Taxes Topic of the ASC. The Company has not recorded a reserve for any tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company files tax returns in all appropriate jurisdictions. When and if applicable, potential interest and penalty costs are accrued as incurred, with expenses recognized in operating expenses in the consolidated statement of income, of which there were none in the years presented. As of December 31, 2025 and 2024, the Company has no liability for unrecognized tax benefits.

No provision for taxes on income is made in the financial statements. All taxable income and losses are allocated to a parent company for inclusion in its tax return.

**Advertising expense:** The Company primarily expenses advertising and marketing costs as incurred with the exception of promotional items, which are capitalized and expensed as utilized. For the years ended December 31, 2025 and 2024, advertising and marketing expense totaled approximately $10,743,000 and $13,613,000, respectively.

**Restrictions of cash balances:** Included in cash as of December 31, 2025 and 2024 is $301,634 and $837,976, respectively, of restricted cash for the use of the Media Fund, Advertising Fund, and Brand Fund.

**Revenue recognition:** The Company recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers. Revenue is primarily derived from franchise royalties, initial franchise fees, and contributions to brand-related funds. The Company has identified its performance obligations and recognizes revenue when control of the promised goods or services is transferred to franchisees in an amount that reflects the consideration to which the Company expects to be entitled.

***Transaction price and variable consideration:*** The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. For sales-based royalties, the Company applies the sales-based royalty exception under ASC 606-10-55-65, recognizing revenue as the underlying franchisee sales occur.

## Note 1. Summary of Significant Accounting Policies (Continued)

***Disaggregation of revenue:*** Revenue is disaggregated by the nature of the revenue stream and the timing of revenue recognition (point in time vs. over time). For the years ended December 31, 2025 and 2024, revenue recognized at a point in time and over time is as follows:

| | 2025 | 2024 |
|---|---|---|
| Revenue recognized at a point in time | $ 32,863,833 | $ 9,000,242 |
| Revenue recognized over time | 25,602,219 | 25,444,668 |
| | $ 58,466,052 | $ 34,444,910 |

***Royalties and brand-related funds:*** The Company earns royalties and collects contributions to the Brand Fund, Advertising Fund, and Media Fund as stipulated in the franchise agreements. Royalties are generally calculated as a percentage of gross sales reported by franchisees, as a percentage of installed sales reported by franchisees, or based on minimum royalty fees, which are determined by multiplying the population in the franchise territory by a fixed rate per person per month. These royalties, including fund contributions, are considered sales-based and are recognized as the underlying franchisee sales occur. Royalties are collected monthly following the end of each sales period.

Under ASC 606, the Company determined that contributions to the Brand, Advertising, and Media Funds do not represent separate performance obligations from the franchise license. As such, these contributions are recognized as revenue concurrently with the related royalty revenue and presented gross in the consolidated statements of income and cash flows. Corresponding expenses are recognized as incurred. Timing differences between fund collections and expenditures result in either a liability or a receivable, depending on the net position at the reporting date.

***Initial franchise fees:*** The Company charges a non-refundable initial franchise fee upon execution of a franchise agreement, which typically has a 10-year term. The Company recognizes 20% of the fee at contract inception, with the remaining 80% recognized ratably over the term of the franchise agreement. The Company has identified two performance obligations: (1) initial services provided at the start of the franchise relationship, and (2) ongoing services that are highly interrelated with the franchise license. These are treated as a single performance obligation for revenue recognition purposes.

Although the Company may occasionally finance franchise fees, such arrangements are infrequent and not considered to contain a significant financing component under ASC 606, of which there were none during 2025 or 2024.

***Contract balances:*** The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. The Company does not recognize revenue in advance of the right to invoice and therefore has not recorded a contract asset. The opening balances of net accounts receivable and contract liabilities as of January 1, 2024 were $1,963,970 and $886,412, respectively.

Net accounts receivable and contract liabilities as of December 31, 2025 and 2024 were as follows:

| | 2025 | 2024 |
|---|---|---|
| Trade accounts receivable, net | $ 5,325,420 | $ 3,031,694 |
| Deferred revenue | 2,482,877 | 1,362,111 |

## Note 1. Summary of Significant Accounting Policies (Continued)

***Significant judgments:*** The Company exercises judgment in determining the timing of revenue recognition, particularly in assessing the nature of performance obligations and the allocation of transaction prices. The Company also applies judgment in estimating variable consideration and in determining whether a significant financing component exists.

***Practical expedients:*** The Company applies the practical expedient under ASC 606-10-50-14, electing not to disclose the remaining performance obligations for contracts with an original expected duration of one year or less.

**Variable interest entities:** On October 31, 2018, the FASB issued ASU 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities.* This ASU effectively expands the private company accounting alternative for common control leasing arrangements to all private company common control arrangements as long as both the parent and the legal entity being evaluated for consolidation are not public business entities.

Under ASU 2018-17, the Company may elect to not apply the VIE model to arrangements between legal entities under common control (including common control leasing arrangements) if certain criteria are met. If the private company accounting alternative is elected, the Company will continue to apply other consolidation guidance unless another scope exception applies.

On January 1, 2024, the Company elected to adopt ASU 2018-17 and apply the accounting standard retrospectively to the consolidated financial statements. The common control entity, Agile Building Solutions (ABS), is a manufacturing and distribution company that provides products to the Company's franchisees. There was no material impact to the consolidated financial statements as a result of the adoption of the standard.

**Reclassifications:** Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported equity.

**Subsequent events:** The Company has evaluated subsequent events through July 6, 2026, the date the consolidated financial statements were available to be issued.

## Note 2. Related-Party Transactions

The Company engages in various transactions with its parent and affiliated entities. These transactions include, but are not limited to, intercompany transactions and shared services. All related party transactions are conducted in the normal course of business and are settled in accordance with intercompany agreements.

As of December 31, 2025 the Company had the following balances with related parties:

| | 2025 | 2024 |
|---|---|---|
| Agile Building Solutions, LLC | $ 91,588,655 | $ 72,469,308 |
| Home Brands Group, LLC | (18,512,566) | (13,177,857) |
| | $ 73,076,089 | $ 59,291,451 |

### Note 3. Employee Benefit Plan

The Company adopted an employee benefit plan for its employees pursuant to Section 401(k) of the Internal Revenue Code (IRC). Participants may contribute a percentage of compensation, but not in excess of the maximum allowed under the IRC. Employees are eligible if they have attained the age of 21 years. For the years ended December 31, 2025 and 2024, the Company contributed $68,000 and $54,000, respectively, to the plan.

### Note 4. Leases

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the right-of-use (ROU) assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term.

The components of the lease expense are as follows for the years ended December 31, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| Finance lease cost: | | |
| Amortization of right-of-use finance assets | $ 10,815 | $ - |
| Interest on lease liabilities | 2,552 | - |
| Operating lease cost: | | |
| Amortization of right-of-use operating assets | 334,986 | - |
| Variable lease costs | 60,309 | - |
| Total lease cost | $ 408,662 | $ - |

Supplemental cash flow information related to leases is as follows for the years ended December 31, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| Cash paid for amounts included in the measurements of lease liabilities: | | |
| Financing cash flows from finance leases | $ 11,246 | $ - |
| Operating cash flows from operating lease | 372,501 | - |
| Right-of-use assets obtained in exchange for lease obligations: | | |
| Finance leases | $ - | $ - |
| Operating leases | 197,281 | - |

Supplemental balance sheet information related to leases is as follows for the years ended December 31, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| Weighted average remaining lease term (years): | | |
| Finance leases | 2.83 | - |
| Operating leases | 2.62 | - |
| Weighted average discount rate: | | |
| Finance leases | 8.72% | - |
| Operating Leases | 8.72% | - |

### Note 4. Leases (Continued)

Future undiscounted cash flows for each of the next five years and thereafter and reconciliation to the lease liabilities recognized on the balance sheet as of December 31, 2025 are as follows:

| | Operating | Finance |
|---|---|---|
| Year Ending December 31: | | |
| 2026 | $ 734,758 | $ 22,133 |
| 2027 | 510,072 | 16,122 |
| 2028 | 361,854 | 12,999 |
| 2029 | 121,812 | 4,333 |
| Thereafter | - | - |
| Total undiscounted lease payments | 1,728,496 | 55,587 |
| Less imputed interest | (185,172) | (7,100) |
| Lease liabilities | $ 1,543,324 | $ 48,487 |

### Note 5. Guarantee of Parent Company Credit Agreement

On November 8, 2021, the Parent entered into a credit agreement with a third-party lender, under which the Company is named as a guarantor.

Under the terms of the agreement, the Company has provided an unconditional and irrevocable guarantee of the Parent's obligations, including principal, interest, fees, and other amounts due under the credit facility. The guarantee is enforceable upon the occurrence of certain events of default by the Parent, including non-payment and covenant violations.

As of December 31, 2025 and 2024, the maximum potential amount of future payments the Company could be required to make under the guarantee is $115,667,897 and $73,250,000, respectively. No liability has been recorded in the accompanying financial statements as management has concluded that the likelihood of the Company being required to perform under the guarantee is remote.

# ReBath, LLC

Consolidated Financial Statements
December 31, 2024

**Contents**


| | |
|---|---|
| Independent auditor's report | 1-2 |
| Financial statements | |
| Consolidated balance sheets | 3 |
| Consolidated statements of income | 4 |
| Consolidated statements of changes in member's equity | 5 |
| Consolidated statements of cash flows | 6 |
| Notes to consolidated financial statements | 7-12 |

RSM US LLP

# Independent Auditor's Report

Board of Managers
ReBath, LLC

## Opinion

We have audited the consolidated financial statements of ReBath, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheet as of December 31, 2024, the related consolidated statements of income, changes in member's equity and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

## Emphasis of Matter

As discussed in Note 4 to the financial statements, the 2023 financial statements have been restated to corrected misstatements. Our opinion is not modified with respect to this matter.

## Other Matter

The financial statements of the Company, as of and for the year ended December 31, 2023, before they were restated for the matter discussed in Note 4 to the financial statements, were audited by other auditors, whose report, dated May 25, 2024, expressed an unmodified opinion on those statements.

As part of our audit of the 2024 financial statements, we also audited the adjustments described in Note 4 that were applied to restate the 2023 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2023 financial statements of the Company other than with respect to the adjustments and accordingly, we do not express an opinion or any other form of assurance on the 2023 financial statements as a whole.

## Responsibilities of Management for the Financial Statements

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



RSM US LLP is the U.S. member firm of RSM International, a global network of independent assurance, tax, and consulting firms.
Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

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 within one year after the date that the financial statements are issued or available to be issued.

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

In performing an audit in accordance with GAAS, we:

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

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

RSM US LLP

Milwaukee, Wisconsin
June 23, 2025

**ReBath, LLC**

**Consolidated Balance Sheets**
**December 31, 2024 and December 31, 2023**

| | 2024 | 2023 (As Restated) |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Restricted cash | **$ 837,976** | $ 6,369,128 |
| Trade accounts receivable, net | **3,031,694** | 1,963,970 |
| Other receivables | **1,557,534** | 1,095,573 |
| Prepaid expenses and other assets | **600,733** | 791,428 |
| **Total current assets** | **6,027,937** | 10,220,099 |
| **Total assets** | **$ 6,027,937** | $ 10,220,099 |
| **Liabilities and Member's Equity** | | |
| Current liabilities: | | |
| Accounts payable—trade | **$ 442,193** | $ 316,877 |
| Accounts payable—due to parent | **13,177,857** | 11,854,897 |
| Accrued liabilities | **1,025,845** | 1,209,353 |
| Deferred revenue, current | **244,108** | 112,426 |
| **Total current liabilities** | **14,890,003** | 13,493,553 |
| Deferred revenue, non-current | **1,118,003** | 773,986 |
| **Total liabilities** | **16,008,006** | 14,267,539 |
| Member's (deficit) equity | | |
| Member's capital | **35,763,764** | 35,763,764 |
| Affiliate receivable | **(72,469,308)** | (53,909,488) |
| Unallocated earnings | **26,725,475** | 14,098,284 |
| **Total member's deficit** | **(9,980,069)** | (4,047,440) |
| **Total liabilities and member's deficit** | **$ 6,027,937** | $ 10,220,099 |

See notes to consolidated financial statements.

**ReBath, LLC**

**Consolidated Statements of Income**
**Years Ended December 31, 2024 and 2023**

| | 2024 | 2023 (As Restated) |
|---|---|---|
| Net sales | **$ 34,444,910** | $ 29,286,937 |
| Operating expenses: | | |
| General and administrative | **8,204,930** | 5,310,662 |
| Advertising fund expense | **13,612,789** | 8,454,387 |
| | **21,817,719** | 13,765,049 |
| **Net income** | **$ 12,627,191** | $ 15,521,888 |

See notes to consolidated financial statements.

**ReBath, LLC**

## Consolidated Statements of Changes in Member's Equity
## Years Ended December 31, 2024 and December 31, 2023

| | Member's Capital | Affiliate Receivable | Unallocated Earnings | Total |
|---|---|---|---|---|
| Balance December 31, 2022, as previously reported | $ 35,763,764 | $ (31,352,810) | $ 24,365,825 | $ 28,776,779 |
| Prior period adjustment (Note 4) | - | (5,721,006) | (25,789,429) | (31,510,435) |
| Balance December 31, 2022, as restated (Note 4) | 35,763,764 | (37,073,816) | (1,423,604) | (2,733,656) |
| Borrowings on affiliate receivable | - | (16,835,672) | - | (16,835,672) |
| Net income, as restated (Note 4) | - | - | 15,521,888 | 15,521,888 |
| Balance December 31, 2023, as restated (Note 4) | 35,763,764 | (53,909,488) | 14,098,284 | (4,047,440) |
| Borrowings on affiliate receivable | - | (18,559,820) | - | (18,559,820) |
| Net income | - | - | 12,627,191 | 12,627,191 |
| **Balance December 31, 2024** | **$ 35,763,764** | **$ (72,469,308)** | **$ 26,725,475** | **$ (9,980,069)** |

See notes to consolidated financial statements.

**ReBath, LLC**

**Consolidated Statements of Cash Flows**
**Years Ended December 31, 2024 and December 31, 2023**

| | 2024 | 2023 (As Restated) |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income | **$ 12,627,191** | $ 15,521,888 |
| Adjustments to reconcile net income to net cash | | |
| Changes in operating assets and liabilities: | | |
| Trade receivables | **(1,067,724)** | (71,493) |
| Vendor receivables | **(461,961)** | 3,203 |
| Prepaid expenses | **190,695** | (307,092) |
| Accounts payable | **206,812** | (41,432) |
| Accrued expenses and other | **(183,507)** | (561,667) |
| Deferred revenue | **475,700** | 95,649 |
| **Net cash provided by operating activities** | **11,787,206** | 14,639,056 |
| Bank overdraft | **(81,498)** | 44,307 |
| Affiliate receivables | **(17,236,860)** | (15,040,701) |
| **Net cash used in financing activities** | **(17,318,358)** | (14,996,394) |
| **Net change in cash and restricted cash** | **(5,531,152)** | (357,338) |
| Cash and restricted cash: | | |
| Beginning | **6,369,128** | 6,726,466 |
| Ending | **$ 837,976** | $ 6,369,128 |

See notes to consolidated financial statements.

## Note 1. Summary of Significant Accounting Policies

**Nature of operations:** ReBath, LLC (the Company), a limited liability company organized under the laws of Delaware, is a wholly owned subsidiary of Home Brands Group, LLC. The Company is a single-member entity. The Company is a franchising company which services a network of franchised territories specializing in the sale and installation of bathroom remodeling products to primarily residential customers. The franchised territories operate throughout the United States.

The Company has established a national media fund, ReBath National Media Fund (the Media Fund), a national advertising fund, ReBath National Advertising Fund (the Advertising Fund), and a national brand fund, ReBath National Brand Fund (the Brand Fund) as provided for under the Company's Franchise Disclosure Document (FDD). The Company segregates assets of the Media Fund, Advertising Fund, and Brand Fund, and has significant input into the use of the segregated funds.

**Basis of presentation:** The accompanying consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

**Principles of consolidation:** The consolidated financial statement include the accounts of ReBath, LLC and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

**Accounting estimates:** The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

**Concentrations of credit risk:** Financial instruments which potentially subject the Company to significant concentrations of credit risk consist primarily of cash and trade accounts receivable. The Company's cash balances periodically may exceed federally insured limits. The Company extends credit to its customers in the normal course of business and performs ongoing credit evaluations of customers' financial condition.

**Allowance for expected credit losses:** The allowance for expected credit losses is an estimate of amounts that may not be collectible. In determining the amount of the allowance, the Company makes judgments about general economic conditions, historical write-off experience, and any specific risks identified in the customer collection matters, including the aging of unpaid accounts receivable and changes in customer financial conditions. The Company does not accrue interest on past due accounts. Account balances are written off after all means of collection are exhausted and the potential for non-recovery is determined to be probable. Adjustments to the allowance for credit losses are recorded as selling and administrative expenses in the consolidated statements of income. Activity in the Company's allowance fore expected credit losses for December 31, 2024 and 2023 is as follows:

| | 2024 | 2023 (As Restated) |
|---|---|---|
| Beginning balance | $ 61,777 | $ 18,400 |
| Credit loss charges | 95,976 | 43,377 |
| Uncollectible accounts written off, net of recoveries | (42,223) | - |
| Ending balance | $ 115,530 | $ 61,777 |

## Note 1. Summary of Significant Accounting Policies (Continued)

**Income taxes:** The Company accounts for Income Taxes using the liability method. As such, deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are calculated using the enacted tax rates and laws that are expected to be in effect when the anticipated reversal of these differences is scheduled to occur. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company follows the provisions of the Account for Uncertainty in Income Taxes subtopic of the Income Taxes Topic of the ASC. The Company has not recorded a reserve for any tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company files tax returns in all appropriate jurisdictions. When and if applicable, potential interest and penalty costs are accrued as incurred, with expenses recognized in operating expenses in the consolidated statement of income, of which there were none in the years presented. As of December 31, 2024 and 2023, the Company has no liability for unrecognized tax benefits.

No provision for taxes on income is made in the financial statements. All taxable income and losses are allocated to a parent company for inclusion in its tax return.

**Advertising expense:** The Company primarily expenses advertising and marketing costs as incurred with the exception of promotional items, which are capitalized and expensed as utilized. For the years ended December 31, 2024 and December 31, 2023, advertising and marketing expense totaled approximately $13,613,000 and $8,454,000, respectively.

**Restrictions of cash balances:** Included in cash as of December 31, 2024 and December 31, 2023 is $837,976 and $6,369,128, respectively, of restricted cash for the use of the Media Fund, Advertising Fund, and Brand Fund.

**Revenue recognition:** The Company recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers. Revenue is primarily derived from franchise royalties, initial franchise fees, and contributions to brand-related funds. The Company has identified its performance obligations and recognizes revenue when control of the promised goods or services is transferred to franchisees in an amount that reflects the consideration to which the Company expects to be entitled.

***Transaction price and variable consideration:*** The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. For sales-based royalties, the Company applies the sales-based royalty exception under ASC 606-10-55-65, recognizing revenue as the underlying franchisee sales occur.

***Disaggregation of revenue:*** Revenue is disaggregated by the nature of the revenue stream and the timing of revenue recognition (point in time vs. over time). For the years ended December 31, 2024 and 2023, revenue recognized at a point in time and over time is as follows:

| | 2024 | 2023 (As Restated) |
|---|---|---|
| Revenue recognized at a point in time | $ 9,000,242 | $ 4,986,703 |
| Revenue recognized over time | 25,444,668 | 24,300,234 |
| | $ 34,444,910 | $ 29,286,937 |

## Note 1. Summary of Significant Accounting Policies (Continued)

***Royalties and brand-related funds:*** The Company earns royalties and collects contributions to the Brand Fund, Advertising Fund, and Media Fund as stipulated in the franchise agreements. Royalties are generally calculated as a percentage of gross sales reported by franchisees, as a percentage of installed sales reported by franchisees, or based on minimum royalty fees, which are determined by multiplying the population in the franchise territory by a fixed rate per person per month. These royalties, including fund contributions, are considered sales-based and are recognized as the underlying franchisee sales occur. Royalties are collected monthly following the end of each sales period.

Under ASC 606, the Company determined that contributions to the Brand, Advertising, and Media Funds do not represent separate performance obligations from the franchise license. As such, these contributions are recognized as revenue concurrently with the related royalty revenue and presented gross in the consolidated statements of income and cash flows. Corresponding expenses are recognized as incurred. Timing differences between fund collections and expenditures result in either a liability or a receivable, depending on the net position at the reporting date.

***Initial franchise fees:*** The Company charges a non-refundable initial franchise fee upon execution of a franchise agreement, which typically has a 10-year term. The Company recognizes 20% of the fee at contract inception, with the remaining 80% recognized ratably over the term of the franchise agreement. The Company has identified two performance obligations: (1) initial services provided at the start of the franchise relationship, and (2) ongoing services that are highly interrelated with the franchise license. These are treated as a single performance obligation for revenue recognition purposes.

Although the Company may occasionally finance franchise fees, such arrangements are infrequent and not considered to contain a significant financing component under ASC 606, of which there were none during 2023 or 2024.

***Contract balances:*** The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. The Company does not recognize revenue in advance of the right to invoice and therefore has not recorded a contract asset.

Net accounts receivable and contract liabilities as of December 31, 2024 and 2023 were as follows:

| | 2024 | 2023 (As Restated) |
|---|---|---|
| Trade accounts receivable, net | $ 3,031,694 | $ 1,963,970 |
| Deferred revenue | 1,362,111 | 886,412 |

***Significant judgments:*** The Company exercises judgment in determining the timing of revenue recognition, particularly in assessing the nature of performance obligations and the allocation of transaction prices. The Company also applies judgment in estimating variable consideration and in determining whether a significant financing component exists.

***Practical expedients:*** The Company applies the practical expedient under ASC 606-10-50-14, electing not to disclose the remaining performance obligations for contracts with an original expected duration of one year or less.

## Note 1. Summary of Significant Accounting Policies (Continued)

The change in the Company's franchised and company-owned outlets for the years ended December 31, 2024 and 2023 were as follows:

| | 2024 | 2023 |
|---|---|---|
| System wide outlets: | | |
| Franchised outlets—beginning of year | 136 | 124 |
| Franchises sold | 22 | 14 |
| Franchises closed | (8) | (2) |
| Net consolidation of franchised outlets | (5) | - |
| Franchised outlets—end of year | 145 | 136 |
| | | |
| Company-owned outlets: | | |
| Company-owned outlets—beginning of year | - | - |
| Company-owned outlets—opened | - | - |
| Company-owned outlets—closed | - | - |
| Company-owned outlets—end of year | - | - |
| | | |
| Total system-wide outlets | 145 | 136 |

**Variable interest entities:** On October 31, 2018, the FASB issued ASU 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities.* This ASU effectively expands the private company accounting alternative for common control leasing arrangements to all private company common control arrangements as long as both the parent and the legal entity being evaluated for consolidation are not public business entities.

Under ASU 2018-17, the Company may elect to not apply the VIE model to arrangements between legal entities under common control (including common control leasing arrangements) if certain criteria are met. If the private company accounting alternative is elected, the Company will continue to apply other consolidation guidance unless another scope exception applies.

On January 1, 2024, the Company elected to adopt ASU 2018-17 and apply the accounting standard retrospectively to the consolidated financial statements. The common control entity, Agile Building Solutions (ABS), is a manufacturing and distribution company that provides products to the Company's franchisees. There was no material impact to the consolidated financial statements as a result of the adoption of the standard.

**Reclassifications:** Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported equity.

**Subsequent events:** The Company has evaluated subsequent events through June 23, 2025, the date the consolidated financial statements were available to be issued.

## Note 2. Related-Party Transactions

The Company engages in various transactions with its parent and affiliated entities. These transactions include, but are not limited to, intercompany transactions and shared services. All related party transactions are conducted in the normal course of business and are settled in accordance with intercompany agreements.

### Note 2. Related-Party Transactions (Continued)

As of December 31, the Company had the following balances with related parties:

| | 2024 | 2023 (As Restated) |
|---|---|---|
| Agile Building Solutions, LLC | $ 72,469,308 | $ 53,909,488 |
| Home Brands Group, LLC | (13,177,857) | (11,854,897) |
| | $ 59,291,451 | $ 42,054,591 |

### Note 3. Employee Benefit Plan

The Company adopted an employee benefit plan for its employees pursuant to Section 401(k) of the Internal Revenue Code (IRC). Participants may contribute a percentage of compensation, but not in excess of the maximum allowed under the IRC. Employees are eligible if they have attained the age of 21 years. For the years ended December 31, 2024 and 2023, the Company contributed $54,000 and $63,000, respectively, to the plan.

### Note 4. Restatement

The financial statements as of and for the year ended December 31, 2023 have been restated to correct errors. The following schedules present the impact of the restatement adjustments.

Restatement impact on the consolidated balance sheet as of December 31, 2023 is as follows:

| | As Originally Reported | Effect of Restatement | As Restated |
|---|---|---|---|
| Affiliate receivable | $ 85,570,627 | $ (85,570,627) | $ - |
| Total current assets | 95,790,726 | (85,570,627) | 10,220,099 |
| Total assets | 95,790,726 | (85,570,627) | 10,220,099 |
| Accounts payable—due to parent | - | 11,854,897 | 11,854,897 |
| Accrued expenses | 6,193,724 | (4,984,371) | 1,209,353 |
| Deferred revenue, current | 886,411 | (773,985) | 112,426 |
| Total current liabilities | 7,397,013 | 6,096,540 | 13,493,553 |
| Deferred revenue, non-current | - | 773,986 | 773,986 |
| Total liabilities | 7,397,013 | 6,870,526 | 14,267,539 |
| Unallocated earnings | 52,629,949 | (38,531,665) | 14,098,284 |
| Affiliate receivable | - | (53,909,488) | (53,909,488) |
| Members' equity | 88,393,713 | (92,441,153) | (4,047,440) |
| Total liabilities and member's deficit | 95,790,726 | (85,570,627) | 10,220,099 |

### Note 4. Restatement (Continued)

Restatement impact on the consolidated statement of income for the year ended December 31, 2023 is as follows:

| | As Originally Reported | Effect of Restatement | As Restated |
|---|---|---|---|
| Net sales | $ 80,304,644 | $ (51,017,707) | $ 29,286,937 |
| Cost of goods sold | 33,092,624 | (33,092,624) | - |
| General and administrative expenses | 18,947,996 | (5,182,947) | 13,765,049 |
| Miscellaneous expense | 100 | (100) | - |
| Net income | 28,264,124 | (12,742,236) | 15,521,888 |

Restatement impact on the consolidated statement of cash flows for the year ended December 31, 2023 is as follows:

| | As Originally Reported | Effect of Restatement | As Restated |
|---|---|---|---|
| Net income | $ 28,264,124 | $ (12,742,236) | $ 15,521,888 |
| Increase (decrease) in allowance for credit losses | 43,377 | (43,377) | - |
| Trade receivables | (114,870) | 43,377 | (71,493) |
| Accounts payable | (623,009) | 581,577 | (41,432) |
| Accrued expenses and other | 208,073 | (769,740) | (561,667) |
| Deferred revenue | - | 95,649 | 95,649 |
| Net cash provided by operating activities | 27,473,806 | (12,834,750) | 14,639,056 |
| Bank overdraft | - | 44,307 | 44,307 |
| Affiliate receivables | (27,875,451) | 12,834,750 | (15,040,701) |
| Net cash used in financing activities | (27,875,451) | 12,879,057 | (14,996,394) |
| Net change in cash and restricted cash | (401,645) | 44,307 | (357,338) |
| Beginning cash and cash equivalents | 6,667,235 | 59,231 | 6,726,466 |
| Ending cash and cash equivalents | 6,265,590 | 103,538 | 6,369,128 |

### Note 5. Guarantee of Parent Company Credit Agreement

On November 8, 2021, the Parent entered into a credit agreement with a third-party lender, under which the Company is named as a guarantor.

Under the terms of the agreement, the Company has provided an unconditional and irrevocable guarantee of the Parent's obligations, including principal, interest, fees, and other amounts due under the credit facility. The guarantee is enforceable upon the occurrence of certain events of default by the Parent, including non-payment and covenant violations.

As of December 31, 2024, the maximum potential amount of future payments the Company could be required to make under the guarantee is $73,250,000. No liability has been recorded in the accompanying financial statements as management has concluded that the likelihood of the Company being required to perform under the guarantee is remote.

**UNAUDITED FINANCIAL STATEMENTS**

**THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.**

# ReBath, LLC

## Preliminary / Unaudited Consolidated Balance Sheet

*April 30, 2026 (Unaudited)*

| | Apr 30, 2026 |
|---|---|
| **Assets** | |
| **Current assets:** | |
| Cash | 707,436 |
| Restricted cash | 100,834 |
| Trade accounts receivable, net | 5,058,338 |
| Inventory | 1,524,809 |
| Other receivables | 2,685,774 |
| Prepaid expenses and other assets | 1,682,391 |
| **Total current assets** | **11,759,582** |
| Property and equipment, net | 674,257 |
| Operating and finance lease right-of-use assets | 1,549,201 |
| Intangible assets | 25,821 |
| **Total assets** | **14,008,861** |
| **Liabilities and Member's Equity** | |
| **Current liabilities:** | |
| Accounts payable—trade | 8,919,890 |
| Accounts payable—due to parent | 22,515,972 |
| Accrued liabilities | 593,358 |
| Deferred revenue, current | 1,904,923 |
| Income taxes payable, net | 265,173 |
| Current portion of operating lease obligations | 631,046 |
| Current portion of finance lease obligations | 17,919 |
| **Total current liabilities** | **34,848,280** |
| Operating lease obligations, net of current portion | 912,279 |
| Finance lease obligations, net of current portion | 30,568 |
| Deferred revenue, non-current | 1,135,186 |
| **Total liabilities** | **36,926,313** |
| **Member's equity (deficit):** | |
| Member's capital | 35,763,764 |
| Affiliate receivable | (94,851,795) |
| Unallocated earnings | 36,170,579 |
| **Total member's equity (deficit)** | **(22,917,452)** |
| **Total liabilities and member's equity** | **14,008,861** |

## ReBath, LLC

### Preliminary / Unaudited Consolidated Statement of Income

*Four Months Ended April 30, 2026*

| | YTD Apr 2026 |
|---|---|
| Net sales | 24,718,432 |
| Cost of goods sold | 6,202,261 |
| **Gross profit** | **18,516,171** |
| | |
| **Operating expenses:** | |
| General and administrative | 12,398,135 |
| Advertising fund expense | 4,817,389 |
| **Total operating expenses** | **17,215,524** |
| | |
| **Net income** | **1,300,647** |

## ReBath, LLC

**Preliminary / Unaudited Consolidated Statement of Cash Flows**

*Four Months Ended April 30, 2026*

| | YTD Apr 2026 |
|---|---|
| **Cash flows from operating activities:** | |
| Net income | 1,300,647 |
| **Adjustments to reconcile net income to net cash provided by (used in) operating activities:** | |
| Depreciation and amortization | 28,463 |
| **Changes in operating assets and liabilities:** | |
| Trade receivables | 285,094 |
| Other receivables | (773,726) |
| Inventory | (1,084,434) |
| Prepaid expenses and other assets | (204,134) |
| Accounts payable | 8,789,508 |
| Accrued expenses and other | (9,341,955) |
| Deferred revenue | 552,497 |
| **Net cash provided by (used in) operating activities** | **(448,041)** |
| | |
| **Cash flows from investing activities:** | |
| Purchase of property and equipment | (145,256) |
| **Net cash used in investing activities** | **(145,256)** |
| | |
| **Cash flows from financing activities:** | |
| Affiliate receivables | - |
| Principal payments on finance lease liabilities | - |
| **Net cash provided by (used in) financing activities** | **-** |
| | |
| **Net change in cash and restricted cash** | **(593,297)** |
| **Cash and restricted cash:** | |
| Beginning (audited) | 1,403,065 |
| **Ending** | **809,768** |

**MANUAL TABLE OF CONTENTS**

**EXHIBIT D**

**RE-BATH**

**MANUAL TABLE OF CONTENTS**


| | |
|---|---|
| **Accounting** | Installed Sales Program |
| | Accounts Receivable |
| **Customer Service** | Customer Service |
| | Warranty |
| **Legal** | Territory Management |
| **Marketing** | Billboards |
| | Branding & Trademarks |
| | Broadcast Radio |
| | Broadcast Television |
| | Business Listing Management |
| | Communication |
| | Digital Advertising |
| | Digital Analytics |
| | Email Automation |
| | Exterior Signage |
| | Home Shows |
| | Interior Signage |
| | Marketing Agencies & PVN |
| | Marketing Plan and Budgets |
| | Metrostudy Marketing Analysis |
| | Microsite |
| | National Advertising |
| | Print Advertising |
| | Public Relations and Press |
| | Referral |
| | Social Media |

| | |
|---|---|
| | Toll-Free and Tracking Phone Numbers |
| | Vehicle Wraps |
| | Customer Satisfaction Survey |
| | Review Management |
| **National Accounts** | Lowes |
| | National Accounts |
| | The Home Depot |
| | Brand Ambassador Certification |
| | Sam's Club |
| **Sales** | Lead Setting |
| | Sales Presentation |
| | Design |
| | Pricing |
| | Financing |
| | Contracting |
| | RBDirect |
| **Performance Coach** | Business Plans |
| | Monthly Performance Review |
| | FZ Performance |
| **Production** | EPA/LLRP |
| | Installation |
| | Order Book Project Identification |
| | Production Staffing |
| | Customer Journey |
| | Project Template |
| | Release to Reproduction [RTP] |
| | Product Ordered |
| | Product Received |
| | Scheduled |

| | |
|---|---|
| | Job Start |
| | Job Completion |
| | Order Book Management |
| | Site Inspection |
| | Project Permits |
| **Product** | Preferred Vendor Network |
| | Product Ordering |
| | Re-Bath Products |
| | Showroom |
| **Project Management** | Events |
| **Training & Development** | Learning & Performance Development |

# GENERAL RELEASE

# EXHIBIT E

**GENERAL RELEASE**

THIS GENERAL RELEASE ("**Release**") is made effective as of this, the _____ day of _____, 20___, by _____, individually and _____ (collectively, "**Franchisee**"), in favor of ReBath, LLC, a Delaware limited liability company ("**Franchisor**") (collectively referred to as "**Parties**"), who, on the basis of the following, agree as follows:

A. The Parties have entered into that certain Franchise Agreement dated,

("Franchise Agreement"), which governs the development and operation of a Re-Bath® Franchise ("Franchise" or "Franchised Business") (to the extent not otherwise defined herein, all initial-capitalized references shall have the same meaning as set forth in the Franchise Agreement);

B. [The Franchisee desires to transfer the Franchise Agreement, the ownership of the Franchisee, or the Franchised Business or some or all of the assets of the Franchised Business];

[OR]

B. [The Franchisee desires to enter into a successor to the Franchise Agreement];

C. The Franchisor desires to consent to the Franchisee's request subject to the Franchisee's compliance with the terms and conditions set forth in the Franchise Agreement including, without limitation, the Franchisee's execution and delivery of this Release to the Franchisor.

1. Release. The Franchisee, for itself and its affiliates, and their respective current and former successors, assigns, officers, shareholders, directors, members, managers, agents, heirs and personal representatives ("**Franchisee Affiliates**"), hereby fully and forever unconditionally releases and discharges the Franchisor and its affiliates, and their respective successors, assigns, agents, representatives, employees, officers, shareholders, directors, members, managers and insurers (collectively referred to as "**Franchisor Affiliates**") from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever ("**Released Claims**"), in law or in equity, whether known or unknown, which the Franchisee or the Franchisee Affiliates may now have against the Franchisor or Franchisor Affiliates or which may hereafter be discovered. Without limiting the foregoing, Released Claims includes, but is not limited to, all claims, demands, obligations, actions, liabilities and damages, known or unknown, in any way arising from or relating to: (i) any relationship or transaction with the Franchisor or Franchisor Affiliates, (ii) the Franchise Agreement or any related agreements, and (iii) the franchise relationship, from the beginning of time until the date of this Release.

[APPLIES ONLY IN CALIFORNIA]

1(a). Release of Unknown Claims and Waiver of California Law. The Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of California may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of the Release, such as Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor."

The Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 1542 of the Civil Code of the State of California, and under any similar

provisions of any other law (as may be applicable to this Release), to the fullest extent that the Franchisee and the Franchisee Affiliates may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this Release, but that it is the Franchisee's and the Franchisee Affiliates' intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. The Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless the Franchisor and the Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by the Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 1(a) of this Release.

[APPLIES ONLY IN SOUTH DAKOTA]

1(b). Release of Unknown Claims and Waiver of South Dakota Law. The Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of South Dakota may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by Releasor at the time of execution of this Release, such as South Dakota Codified Laws § 20-7-11, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

The Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under § 20-7-11 of the South Dakota Codified Laws, and under any similar provisions of any other law (as may be applicable to this Agreement), to the fullest extent that they may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that the Franchisee and the Franchisee Affiliates now know or believe to be true with respect to the subject matter of this Release, but that it is their intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. The Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless the Franchisor and the Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by the Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on behalf of Releasor) of any Released Claims, positions, defenses, or arguments contrary to this Section 1(b) of this Release.

2. General. This Release shall be construed and enforced in accordance with, and governed by, the laws of the State of Arizona. This Release embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and understandings relating to the subject matter hereof; and this Release may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought

to be enforced. Nothing in this Release is intended to disclaim any representations made by the Franchisor in the most recent franchise disclosure document provided by the Franchisor or its representatives to the Franchisee in connection with any successor to the Franchise Agreement. The headings are for convenience in reference only and shall not limit or otherwise affect the meaning hereof. This Release may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. If any provision of this Release shall be held by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed modified to eliminate the invalid or unenforceable element and, as so modified, such provision shall be deemed a part of this Release as though originally included. The remaining provisions of this Release shall not be affected by such modification. All provisions of this Release are binding and shall inure to the benefit of the Parties and their respective delegatees, successors and assigns.

IN WITNESS WHEREOF, the Parties have caused this Release to be made effective on the day and year first above written.

| FRANCHISOR | FRANCHISEE |
|---|---|
| By: Brad Hillier<br>CEO of<br>ReBath, LLC | By: _____<br>_____ (Name)<br>_____ (Position)<br>_____ (Entity Name) |
| | By: _____<br>_____ (Name)<br>_____ (Position)<br>_____ (Entity Name) |

**EXHIBIT F**

**LIST OF FRANCHISEES**
**AS OF DECEMBER 31, 2025**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Alabama | | | | | | | |
| Andrew Wells | Wells Remodeling, LLC dba Re-Bath Birmingham/ Nashville/ Huntsville | 3411 Lorna Ln. | Birmingham | AL | 35216 | 205-623-3080 | andrew.wells@rebath.com |
| Greg & Joeleene Williams and Michael Hickey | HPH Investments II, LLC dba Re-Bath | 3134 S. Oates St., Ste. #3 | Dothan | AL | 36301 | 334-699-4041 | greg.williams@rebath.com |
| Kenneth & Lisa Dorman | Dorman Bath Designs LLC dba Re-Bath Mobile | 1213 N. McKenzie St. | Foley | AL | 36516 | 251-744-0054 | Kenneth.dorman@rebath.com |
| Alaska | | | | | | | |
| Chris Bailey, Luke Jenner, Nate Mills, Ryan Dillon, and Nick Trest | Alaska Innovative Remodeling, Inc. dba Re-Bath Anchorage | 6623 Brayton Dr. | Anchorage | AK | 99507 | 907-929-2284 | luke.jenner@rebath.com |
| Arizona | | | | | | | |
| Lisa Walling; Michael and Dina Walling | WB Remodeling, LLC dba Re-Bath Tucson | 3955 E. Speedway Blvd. Ste. 111 | Tucson | AZ | 85712 | 520-322-0120 | lisa.walling@rebath.com |
| Arkansas | | | | | | | |
| Henry Wall | Crazy Square, Inc. dba Re-Bath Little Rock | 10900 Stagecoach Rd., Ste. A | Little Rock | AR | 72710 | 501-683-8284 | henry.wall@rebath.com |
| Michael Hembree | Ottawa Fixtures & Specialties, LLC dba Re-Bath Fayetteville | 4400 Doniphan Dr. | Neosho | MO | 64850 | 417-233-0982 | michael.hembree@rebath.com |
| California | | | | | | | |
| Julio Medeiros | Julz Corporation, Inc. dba Re-Bath Orange County | 26871 Hobie Cir., Ste. B-6 | Murrieta | CA | 92562 | 760-802-3373 | julio.medeiros@rebath.com |
| Julio Medeiros | Julz Corporation, Inc. dba Re-Bath Anaheim | 26871 Hobie Cir., Ste. B-6 | Murrieta | CA | 92562 | 760-802-3373 | julio.medeiros@rebath.com |
| Julio Medeiros | Julz Corporation, Inc. dba Re-Bath San Bernadino | 26871 Hobie Cir., Ste. B-6 | Murrieta | CA | 92562 | 760-802-3373 | julio.medeiros@rebath.com |
| Mike Storms | M2 Investments, Inc. dba Re-Bath Pacific Coast | 813 E. Ventura Blvd. | Oxnard | CA | 93036 | 805-485-5888 | mike.storms@rebath.com |
| Niko Zavala | New California Bathroom Corp. dba Re-Bath Palm Springs | 73890 El Paseo #10 | Palm Desert | CA | 92260 | 760-606-3604 | niko.zavala@rebath.com |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Bill Thompson | California Bathrooms, Inc. (2406) | 82550 Ronson Rd. | San Diego | CA | 92111 | 619-846-6226 | bill.thompson@rebath.com |
| Bill Thompson | California Bathrooms, Inc. (2407) | 82550 Ronson Rd. | San Diego | CA | 92111 | 619-846-6226 | bill.thompson@rebath.com |
| Niko Zavala | New California Bathroom Corp. dba Re-Bath Napa Valley | 33528 Monte Verde Rd. | Temecula | CA | 92592 | 951-213-1659 | niko.zavala@rebath.com |
| Niko Zavala | New California Bathroom Corp. dba Re-Bath Oakland | 33528 Monte Verde Rd. | Temecula | CA | 92592 | 951-213-1659 | niko.zavala@rebath.com |
| Niko Zavala | New California Bathroom Corp. dba Re-Bath Temecula | 33528 Monte Verde Rd. | Temecula | CA | 92592 | 951-299-2428 | niko.zavala@rebath.com |
| Colorado | | | | | | | |
| Lisa Walling; Michael and Dina Walling | Bathtub Liners of Colorado, LLC dba Re-Bath Denver | 2635 S. Santa Fe Dr. Unit 2A | Denver | CO | 80223 | 303-922-0053 | lisa.walling@rebath.com |
| Connecticut | | | | | | | |
| Sean Senno & Mark Pietros | HIP Construction, LLC dba Re-Bath Hartford | 20 Tuttle Pl. | Middletown | CT | 06457 | 401-243-4232 | sean.senno@rebath.com |
| Sean Senno & Mark Pietros | HIP Construction, LLC dba Re-Bath New Haven | 20 Tuttle Pl. | Middletown | CT | 06457 | 401-243-4232 | sean.senno@rebath.com |
| Sean Senno & Mark Pietros | HIP Construction, LLC dba Re-Bath Stamford | 48 Union St. Unit 3E | Stamford | CT | 06906 | 401-243-4232 | sean.senno@rebath.com |
| Florida | | | | | | | |
| Dave DenBoer | DHD Investments, LLC Re-Bath Orlando | 445 W. State Rd. 436, Ste.109 | Altamonte Springs | FL | 32714 | 407-926-1811 | david.denboer@rebath.com |
| Douglas Denboer & Matthew Denboer | D&D Investments, LLC dba Re-Bath Fort Myers | 12801 Commerce Lakes Dr. #15 | Fort Myers | FL | 33913 | 616-292-4091 | douglas.denboer@rebath.com |
| Douglas Denboer & Matthew Denboer | D&D Investments of South FL, LLC dba Re-Bath Sarasota | 12801 Commerce Lakes Drive #15 | Fort Myers | FL | 33913 | 941-413-2298 | douglas.denboer@rebath.com |
| Joel Dichi | PF Renovations, LLC dba Re-Bath West Palm Beach | 1207 S. 21st Ave. | Hollywood | FL | 33020 | 754-216-6874 | joel.dichi@rebath.com |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Joel Dichi | PF Renovations, LLC dba Re-Bath Ft. Lauderdale | 1207 S. 21st Ave. | Hollywood | FL | 33020 | 754-216-6874 | joel.dichi@rebath.com |
| Joel Dichi | PF Renovations LLC dba Re-Bath Miami | 1207 S. 21st Ave. | Hollywood | FL | 33020 | 754-216-6874 | joel.dichi@rebath.com |
| Joel Dichi | PF Renovations LLC dba Re-Bath Port St. Lucie | 1207 S. 21st Ave. | Hollywood | FL | 33020 | 754-216-6874 | joel.dichi@rebath.com |
| Dave DenBoer | DHD Investments, LLC dba Re-Bath Jacksonville | 8206 Phillips Hwy, Ste. 24 | Jacksonville | FL | 32256 | 407-926-1811 | david.denboer@rebath.com |
| Mark Dufour | Emerald Coast Baths Inc. dba Re-Bath Panama City | 19201 Panama City Beach Prkwy. | Panama City Beach | FL | 32413 | 850-588-8466 | mark.dufour@rebath.com |
| Mark Dufour | Emerald Coast Baths Inc. dba Re-Bath Pensacola | 19201 Panama City Beach Prkwy. | Panama City Beach | FL | 32413 | 850-588-8466 | Mark.dufour@rebath.com |
| Ryan Goetz, Justin McConnell & Madison Rybeck | Bathworks Enterprises, LLC dba Re-Bath Tampa | 5163 Le Tourneau Cir. | Tampa | FL | 33610 | 813-212-7193 | Ryan.goetz@rebath.com |
| Ryan Goetz, Justin McConnell & Madison Rybeck | Bathworks Enterprises, LLC dba Re-Bath St. Petersburg | 5163 Le Tourneau Cir. | Tampa | FL | 33610 | 813-212-7193 | Ryan.goetz@rebath.com |
| Georgia | | | | | | | |
| Chase and Hunter Johnson | Bathroom Brothers, LLC dba Re-Bath Atlanta | 1052 Rosedale Dr. | Atlanta | GA | 30306 | 404-863-2324 | chase.johnson@rebath.com |
| Chase and Hunter Johnson | Bathroom Brothers, LLC dba Re-Bath Atlanta | 1052 Rosedale Dr. | Atlanta | GA | 30306 | 404-863-2324 | chase.johnson@rebath.com |
| Chase and Hunter Johnson | Bathroom Brothers, LLC dba Re-Bath Atlanta | 1052 Rosedale Dr. | Atlanta | GA | 30306 | 404-863-2324 | chase.johnson@rebath.com |
| Chase and Hunter Johnson | Bathroom Brothers, LLC dba Re-Bath Atlanta | 1052 Rosedale Dr. | Atlanta | GA | 30306 | 404-863-2324 | chase.johnson@rebath.com |
| Jim Sigg | JAS Services, Inc. dba Re-Bath Augusta | 3491 Riverwatch Parkway | Martinez | GA | 30907 | 706-869-0750 | jim.sigg@rebath.com |
| Matthew Feldon | Brotherhood Capital Inc. dba Re-Bath Savannah | 2219 W. Bay St. Ste. A | Savannah | GA | 31415 | 912-428-5873 | matt.feldon@rebath.com |
| Idaho | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Spencer Shaw and Evan Wyke | Idaho Bath Solutions, LLC dba Re-Bath Meridian/Twin Falls | 2150 E. Fairview Ave., Ste. 150 | Meridian | ID | 83642 | 208-367-0900 | spencer.shaw@rebath.com |
| Illinois | | | | | | | |
| Brian & Anna Soik | Soik Renovations Group, Inc. dba Re-Bath Chicago | 320 W. Fullerton Ave. | Carol Stream | IL | 60188 | 708-577-5266 | brian.soik@rebath.com |
| Steve & Sara Zarndt | Remodeling Solutions, Inc. dba Re-Bath Bloomington/ Quad Cities/ Decatur | 1005 N. Water St. | Decatur | IL | 62523 | 217-423-8827 | steve.zarndt@rebath.com |
| Guy & Patricia Lolmaugh | Modern Homes, Inc. dba Re-Bath Lake Villa/ Kenosha | 850 E. Grand Ave., Ste. 1A | Lake Villa | IL | 60046 | 847-265-2284 | patricia.lolmaugh@rebath.com |
| Brian & Anna Soik | Soik Renovations Group, Inc. dba Re-Bath Chicago | 1312 Marquette Dr. Unit N | Romeoville | IL | 60446 | 708-577-5266 | brian.soik@rebath.com |
| Brian & Anna Soik | Soik Renovations Group, Inc. dba Re-Bath Chicago | 1312 Marquette Dr. Unit N | Romeoville | IL | 60446 | 708-577-5266 | brian.soik@rebath.com |
| Brian & Anna Soik | Soik Renovations Group, Inc. dba Re-Bath Chicago | 1312 Marquette Dr. Unit N | Romeoville | IL | 60446 | 708-577-5266 | brian.soik@rebath.com |
| Indiana | | | | | | | |
| Chris Horney | RB Pro Indianapolis, Inc. dba Re-Bath North Indianapolis | 8904 Bash St. Ste. A | Indianapolis | IN | 46256 | 724-960-1168 | chris.horney@rebath.com |
| Chris Horney | RB Pro Indianapolis, Inc. dba Re-Bath South Indianapolis | 8904 Bash St. Ste. A | Indianapolis | IN | 46256 | 724-960-1168 | chris.horney@rebath.com |
| Iowa | | | | | | | |
| Mark Evans | Bath of the Heartland, Inc. dba Re-Bath Des Moines | 3012 E. 14th St. | Des Moines | IA | 50316 | 402-991-2818 | mark.evans@rebath.com |
| Kansas | | | | | | | |
| Henry Wall | Crazy Square Inc. dba Re-Bath Wichita | 7330 W. 33rd St. N. Ste. 120 | Wichita | KS | 67205 | 316-364-4095 | henry.wall@rebath.com |
| Kentucky | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| David Duke | Duke Enterprises, LLC dba Re-Bath Louisville/ Lexington | 3089 Breckenridge Ln. | Louisville | KY | 40220 | 502-479-1001 | david.duke@rebath.com |
| Geoff Droke | Bath Tub Liners, Inc. dba Re-Bath Paducah | 2780 New Holt Rd., Ste. B | Paducah | KY | 42001 | 270-444-6649 | geoff.droke@rebath.com |
| Louisiana | | | | | | | |
| Mike Eyre, Matt Fogarty, and Andrew Miller | EFM Louisiana, LLC dba Re-Bath Baton Rouge | 11751 Merchant Dr. | Baton Rouge | LA | 70809 | 225-406-7509 | mike.eyre@rebath.com |
| Mike Eyre, Matt Fogarty, and Andrew Miller | EFM Louisiana, LLC dba Re-Bath New Orleans | 11751 Merchant Dr. | Baton Rouge | LA | 70809 | 504-383-0307 | mike.eyre@rebath.com |
| Mike Eyre, Matt Fogarty, and Andrew Miller | EFM Louisiana, LLC dba Re-Bath Lake Charles | 11751 Merchant Dr. | Baton Rouge | LA | 70809 | 337-570-2825 | mike.eyre@rebath.com |
| Joseph Breithaupt, Jr. | ArkLaTex RB, LLC dba Re-Bath Shreveport | 1220 Pierremont Rd.d, Ste. A | Shreveport | LA | 71106 | 318-216-4525 | jeb.breithaupt@rebath.com |
| Maine | | | | | | | |
| Bill Trombly Jr. & Cristina Velez | Baths by Bill, LLC dba Re-Bath Maine | N/A | Portland | ME | N/A | 603-625-0303 | bill.trombley@rebath.com |
| Maryland | | | | | | | |
| Aaron Calhoun & Kourtnie Perry-Calhoun | Maximized Solutions, LLC dba Re-Bath Bethesda | 6170 Rockledge Dr., Bldg. A., Ste. 400 | Bethesda | MD | 20817 | 301-456-0964 | kourtnie.perrycalhoun@rebath.com |
| Aaron Calhoun & Kourtnie Perry-Calhoun | Maximized Solutions, LLC dba Re-Bath Washington D.C. | 6170 Rockledge Dr., Bldg. A., Ste. 400 | Bethesda | MD | 20817 | 301-456-0964 | kourtnie.perrycalhoun@rebath.com |
| Robert Bollinger | Bath Makeovers, Inc. dba Re-Bath Baltimore | 5191 Raynor Ave. | Linthicum Heights | MD | 21090 | 410-636-1180 | robert.bollinger@rebath.com |
| Massachusetts | | | | | | | |
| Bob Tombs Jr. & Scott Goodhind | PV Bathrooms, Inc. dba Re-Bath Greenfield | 6 French King Hwy. | Greenfield | MA | 01301 | 413-376-7151 | bob.tombs@rebath.com |
| Sean Senno & Mark Pietros | HIP Construction, LLC dba Re-Bath Plymouth | 150 E. Boston St. | Woburn | MA | 01801 | 401-386-9870 | sean.senno@rebath.com |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sean Senno & Mark Pietros | HIP Construction, LLC dba Re-Bath Worcester | 150 E. Boston St. | Woburn | MA | 01801 | 781-358-5916 | sean.senno@rebath.com |
| Sean Senno & Mark Pietros | HIP Construction, LLC dba Re-Bath Woburn | 150 E. Boston St. | Woburn | MA | 01801 | 781-358-5916 | sean.senno@rebath.com |
| Sean Senno & Mark Pietros | HIP Construction, LLC dba Re-Bath Boston | 150 E. Boston St. | Woburn | MA | 01801 | 781-358-5916 | sean.senno@rebath.com |
| Michigan | | | | | | | |
| Jeff & Lori Grover | Grover Investments Inc. dba Re-Bath Grand Rapids | 3114 Broadmoor Ave. SE | Grand Rapids | MI | 49512 | 616-949-8827 | lori.grover@rebath.com |
| Jeff Oslund | Bathworks, Inc. dba Re-Bath Detroit | 1080 E. Maple Rd. | Troy | MI | 48084 | 248-894-1788 | jeff.oslund@rebath.com |
| Jeff Oslund | Bathworks, Inc. dba Re-Bath Traverse City | 1080 E. Maple Rd. | Troy | MI | 48084 | 248-894-1788 | jeff.oslund@rebath.com |
| Minnesota | | | | | | | |
| Dan Brouillet | Great Lakes Home Renovations, Inc. dba Re-Bath Minneapolis | 14690 Galaxie Ave., Ste. 100 | Apple Valley | MN | 55124 | 952-891-3400 | dan.brouillet@rebath.com |
| Mississippi | | | | | | | |
| Kenneth & Lisa Dorman | Dorman Bath Designs, LLC dba Re-Bath Biloxi | 1213 N. Mckenzie St. | Foley | AL | 36535 | 251-744-0054 | kenneth.dorman@rebath.com |
| Missouri | | | | | | | |
| Steve Fesler | Mid-America Remodeling LLC dba Re-Bath St. Louis | 291 Northwest Blvd. | Fenton | MO | 63026 | 314-849-4882 | steve.fesler@rebath.com |
| Michael Hembree | Ottawa Fixtures & Specialties, LLC dba Re-Bath Springfield | 4400 Doniphan Dr. | Neosho | MO | 64850 | 417-233-0982 | michael.hembree@rebath.com |
| Dan Brouillet, Brandon York and Julie York | Kansas City Bath Remodelers, LLC dba Re-Bath Kansas City | 695 N. Lindenwood Dr. | Olathe | KS | 66062 | 913-675-2545 | brandon.york@rebath.com |
| Nebraska | | | | | | | |
| Todd & Stacie Jones | NE-Bath, LLC dba Re-Bath Lincoln | 5221 S. 48th St., Ste 11 | Lincoln | NE | 68516 | 402-484-0077 | todd.jones@rebath.com |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Mark Evans | Bath of the Heartland, Inc. dba Re-Bath Omaha | 4123 S. 84th St. | Omaha | NE | 68127 | 402-991-2818 | mark.evans@rebath.com |
| Nevada | | | | | | | |
| Lisa Walling and Michael & Dina Walling | WB Play to Win, LLC dba Re-Bath Las Vegas | 5195 S. Valley View Rd. | Las Vegas | NV | 89118 | 702-740-2284 | lisa.walling@rebath.com |
| New Hampshire | | | | | | | |
| Bill Trombly Jr. & Cristina Velez | Baths by Bill, LLC dba Re-Bath New Hampshire | 61 Elm St. Unit #3 | Manchester | NH | 03101 | 603-625-0303 | bill.trombley@rebath.com |
| New Jersey | | | | | | | |
| Dan McGann | Shower Transformations, LLC dba Re-Bath Cherry Hill/ South Plainfield | 210 White Horse Pike | Barrington | NJ | 08007 | 856-283-3071 | daniel.mcgann@rebath.com |
| New Mexico | | | | | | | |
| Kole & Sarah McKamey | Mack Enterprises, Inc. dba Re-Bath Albuquerque | 7215 Washington St. NE | Albuquerque | NM | 87109 | 505-312-8922 | kole.mckamey@rebath.com |
| New York | | | | | | | |
| Robert Citrangola and Grace Campbell | Quality Bath NYC LLC dba Re-Bath Bronx | 450 Johnson Ave. | Brooklyn | NY | 11237 | 646-762-4268 | Robert.citrangola@rebath.com |
| Robert Citrangola and Grace Campbell | Quality Bath NYC LLC dba Re-Bath Brooklyn | 450 Johnson Ave. | Brooklyn | NY | 11237 | 646-762-4268 | Robert.citrangola@rebath.com |
| Robert Citrangola and Grace Campbell | Quality Bath NYC LLC dba Re-Bath Manhattan | 450 Johnson Ave. | Brooklyn | NY | 11237 | 646-762-4268 | Robert.citrangola@rebath.com |
| Robert Citrangola and Grace Campbell | Quality Bath NYC LLC dba Re-Bath Queens | 450 Johnson Ave. | Brooklyn | NY | 11237 | 646-762-4268 | Robert.citrangola@rebath.com |
| Robert Citrangola and Grace Campbell | Quality Bath NYC LLC dba Re-Bath Staten Island | 450 Johnson Ave. | Brooklyn | NY | 11237 | 646-762-4268 | Robert.citrangola@rebath.com |
| Justin & Stephanie Britton | Jay Bee Contracting LLC | 1 Lake St. Ste. 202 | Perry | NY | 14530 | 585-558-2335 | Justin.britton@rebath.com |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | dba Re-Bath Buffalo | | | | | | |
| Bob Leffler | Infinity Kitchen and Bath, Inc. dba Re-Bath Long Island | 1522 Old Country Rd. | Plainview | NY | 11803 | 516-433-1440 | bob.leffler@rebath.com |
| North Carolina | | | | | | | |
| Jay Koehler & Scott Koehler | Koehler Family Enterprises, Inc. dba Re-Bath Greensboro | 2701 Branchwood Dr. | Greensboro | NC | 27408 | 336-282-2424 | jay.koehler@rebath.com |
| DJ McKie | Koehler Partners, Inc. dba Re-Bath Raleigh | 6570 Glenwood Ave. | Raleigh | NC | 27613 | 919-647-4838 | dj.mckie@rebath.com |
| DJ McKie | Port City Baths, Inc. dba Re-Bath Wilmington | 6010 Oleander Dr. | Wilmington | NC | 28403 | 910-338-9195 | dj.mckie@rebath.com |
| Jason Myers | HAM Industries, LLC dba Re-Bath Wilson | 4002 NC Hwy. 42 W | Wilson | NC | 27893 | 252-294-2538 | jason.myers@rebath.com |
| Ohio | | | | | | | |
| Jason Heckman | BIA Enterprises, Inc. dba Re-Bath Cincinnati | 7 Techview Dr. | Cincinatti | OH | 45215 | 513-779-0107 | jason.heckman@rebath.com |
| Chris Horney and William Foster | RB Pro, Inc. dba Re-Bath Cleveland | 515 Grant Ave. | Cleveland | OH | 44125 | 216-539-9410 | chris.horney@rebath.com |
| Chris Horney and William Foster | RB Pro, Inc. dba Re-Bath Columbus | 1739 Dividend Dr. | Columbus | OH | 43228 | 724-960-1168 | chris.horney@rebath.com |
| Jason Heckman | BIA Enterprises, Inc. dba Re-Bath Dayton | 5600 Poe Ave. | Dayton | OH | 45414 | 937-458-0322 | jason.heckman@rebath.com |
| Jeff Oslund | Bathworks, Inc. dba Re-Bath Toledo | N/A | Toledo | OH | N/A | 248-577-0047 | jeff.oslund@rebath.com |
| Oklahoma | | | | | | | |
| Glenn Simms & Curtis Simms | Bathtub & Shower Liners of Oklahoma, Inc. dba Re-Bath Tulsa | 6570 E. 41st St. | Tulsa | OK | 74145 | 918-794-8349 | glenn.simms@rebath.com |
| Henry Wall | Haebray, Inc. dba Re-Bath Oklahoma City | 5816 Northwest Expy. | Warr Acres | OK | 73132 | 806-319-2213 | henry.wall@rebath.com |
| Oregon | | | | | | | |
| Spencer Shaw and Evan Wyke | Portland Bath Solutions, LLC dba Re-Bath Portland | 19300 SW 118th Ave. | Tualatin | OR | 97062 | 208-367-0900 | spencer.shaw@rebath.com |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Spencer Shaw and Evan Wyke | Portland Bath Solutions, LLC dba Re-Bath Portland | 19300 SW 118th Ave. | Tualatin | OR | 97062 | 208-367-0900 | spencer.shaw@rebath.com |
| Pennsylvania | | | | | | | |
| Chris Horney | RB Pro, Inc. dba Re-Bath Pittsburgh | 7780 US Route 30 | Irwin | PA | 15642 | 724-960-1168 | chris.horney@rebath.com |
| Jon Witmer & Mark Clapper | CL&J Baths, Inc. dba Re-Bath Lancaster | 1330 Harrisburg Pike | Lancaster | PA | 17603 | 717-208-4586 | jon.witmer@rebath.com |
| Jon Witmer & Mark Clapper | Philadelphia Bathroom Remodeling, LLC dba Re-Bath West Chester | 11 Hagerty Blvd. | West Chester | PA | 19382 | 484-593-1133 | jon.witmer@rebath.com |
| Jon Witmer & Mark Clapper | Philadelphia Bathroom Remodeling, LLC dba Re-Bath Allentown | 11 Hagerty Boulevard | West Chester | PA | 19382 | 484-593-1133 | jon.witmer@rebath.com |
| Rhode Island | | | | | | | |
| Sean Senno and Mark Pietros | HIP Construction, LLC dba Re-Bath Providence | 2C Morgan Mill Rd. | Johnston | RI | 02919 | 401-243-4232 | sean.senno@rebath.com |
| South Carolina | | | | | | | |
| Skyler & Megan Farnsworth | Charleston Bathroom Remodelers, LLC dba Re-Bath Charleston | 9481 Industrial Center Dr. | Charleston | SC | 29456 | 843-724-9735 | skyler.farnsworth@rebath.com |
| Taylor & Caroline Wray | D&T Investments, Inc. dba Re-Bath Columbia | 2650 Shop Rd. | Columbia | SC | 29209 | 803-708-0521 | taylor.wray@rebath.com |
| South Dakota | | | | | | | |
| Rod Moeller | Dakota Home & Bath, LLC dba Re-Bath Sioux Falls | 1110 W. 41st St. | Sioux Falls | SD | 57105 | 605-271-5325 | rod.moeller@rebath.com |
| Tennessee | | | | | | | |
| Nelson Wong | C&D Cultured Marble Inc. dba Re-Bath Chattanooga | 4295 Cromwell Rd., Ste. 403 | Chattanooga | TN | 37421 | 423-490-7623 | nelson.wong@rebath.com |
| Rick Eavenson and Donna Eavenson | Custom Services Company, LLC dba Re-Bath Jackson | 29 Carriage House Dr. | Jackson | TN | 38305 | 731-868-2585 | rick.eavenson@rebath.com |
| Nassif Harb | N&H Kitchen and Bath, LLC dba Re-Bath Johnson City | 108 LP Auer | Johnson City | TN | 37604 | 865-299-6658 | nassif.harb@rebath.com |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Nassif Harb | N&H Kitchen and Bath, LLC dba Re-Bath Knoxville | 10301 Cogdill Rd. | Knoxville | TN | 37932 | 865-299-6658 | nassif.harb@rebath.com |
| Rick Eavenson and Donna Eavenson | Custom Services Company, LLC dba Re-Bath Memphis | 3755 Summer Ave. | Memphis | TN | 38122 | 901-682-5463 | rick.eavenson@rebath.com |
| Texas | | | | | | | |
| Lester & Celia Matthews | Battles Home Improvements, LLC dba Re-Bath Abilene | 1401 S. 14th St. | Abilene | TX | 79602 | 325-673-6547 | leck.matthews@rebath.com |
| Matthew Redecop | Matthew Redecop, Inc. dba Re-Bath Amarillo | 4701 South Wester St. | Amarillo | TX | 79109 | 806-410-2752 | matthew.redecop@rebath.com |
| Mani Sidhu | Corpus Christi Design and Construction, Inc. dba Re-Bath Corpus Christi | 4466 S. Staples St. #154 | Corpus Christi | TX | 78411 | 361-551-0068 | mani.sidhu@rebath.com |
| Lisa Walling and Michael & Dina Walling | WB Border Project, LLC dba Re-Bath El Paso | 7500 N. Mesa #208 | El Paso | TX | 79912 | 915-633-8101 | lisa.walling@rebath.com |
| Mike Eyre, Matt Fogarty, and Andrew Miller | EFM Interests, LLC dba Re-Bath Houston 1 | 3413 N. Sam Houston Pkwy. W. Ste. 200 | Houston | TX | 77086 | 281-506-0079 | mike.eyre@rebath.com |
| Mike Eyre, Matt Fogarty, and Andrew Miller | EFM Interests, LLC dba Re-Bath Houston 2 | 3413 N. Sam Houston Pkwy. W. Ste. 200 | Houston | TX | 77086 | 281-506-0079 | mike.eyre@rebath.com |
| Mike Eyre, Matt Fogarty, and Andrew Miller | EFM Interests, LLC dba Re-Bath Houston 3 | 3413 N. Sam Houston Pkwy. W. Ste. 200 | Houston | TX | 77086 | 281-506-0079 | Mike.eyre@rebath.com |
| Mike Eyre, Matt Fogarty, and Andrew Miller | EFM Interests, LLC dba Re-Bath Houston 4 | 3413 N. Sam Houston Pkwy. W. Ste. 200 | Houston | TX | 77086 | 281-506-0079 | Mike.eyre@rebath.com |
| Matthew Redecop | Effortless Bath Remodeling, Inc. dba Re-Bath Lubbock | 8004 Indiana Ave. A4 | Lubbock | TX | 79423 | 806-319-7558 | matthew.redecop@rebath.com |
| Mani Sidhu | Rio Grande Valley Design and Construction, Inc. dba Re-Bath Rio Grande Valley | 7001 N. 10th St. Ste. G2 | McAllen | TX | 78504 | 956-225-2267 | mani.sidhu@rebath.com |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Henry Wall | Haebray, Inc. dba Re-Bath Midland | 6121 Hwy. 191 | Odessa | TX | 79762 | 432-203-9736 | henry.wall@rebath.com |
| Mark Pardue | L2P Solutions, LLC dba Re-Bath Dallas/Sherman | 1800 N. Glenville Dr., Ste. 116 | Richardson | TX | 75081 | 972-863-2284 | mark.pardue@rebath.com |
| Mike Eyre, Matt Fogarty, Andrew Miller | EFM Central Texas, LLC dba Re-Bath Austin | 1410 Royston Ln. | Round Rock | TX | 75707 | 972-480-8300 | mike.eyre@rebath.com |
| Mani Sidhu | Texas Design and Construction, Inc. dba Re-Bath San Antonio | 13423 Blanco Rd. #403 | San Antonio | TX | 78216 | 818-472-5575 | mani.sidhu@rebath.com |
| Mike Eyre, Matt Fogarty, Andrew Miller | EFM Central Texas, LLC dba Re-Bath Temple | 2420 W. Ave. M | Temple | TX | 76504 | 254-622-4060 | mike.eyre@rebath.com |
| Mike Eyre, Matt Fogarty, and Andrew Miller | EFM Tyler, LLC dba Re-Bath Tyler | 4600 Old Troup Hwy. | Tyler | TX | 75707 | 972-480-8300 | mike.eyre@rebath.com |
| Henry Wall | Crazy Square, Inc. dba Re-Bath Wichita Falls | 1511 Central E Fwy. | Wichita Falls | TX | 76302 | 940-247-2693 | henry.wall@rebath.com |
| Utah | | | | | | | |
| Lisa Walling; Michael & Dina Walling | All Surface, LLC dba Re-Bath Salt Lake City | 2350 S. West Temple | Salt Lake City | UT | 84115 | 801-931-5555 | lisa.walling@rebath.com |
| Virginia | | | | | | | |
| Aaron Calhoun & Kourtnie Perry-Calhoun | Maximized Solutions, LLC dba Re-Bath Fairfax | N/A | Fairfax | VA | N/A | 301-456-0964 | kourtnie.perrycalhoun@rebath.com |
| Norfleet Stallings | Stallings Holdings, Inc. dba Re-Bath Richmond | 9903 Hull Street | Richmond | VA | 23236 | 804-297-0874 | norfleet.stallings@rebath.com |
| Nick & Maria Falletta | Falletta Enterprises, Inc. dba Re-Bath Roanoke | 1333 Towne Square Blvd. | Roanoke | VA | 24012 | 540-344-6504 | nick.falletta@rebath.com |
| Raj Kapoor | Args Construction Services, Inc. Dba Re-Bath Northern Virginia | 22580 Glenn Dr., Unite 9, Ste. 110 | Sterling | VA | 20164 | 571-701-0030 | raj.kapoor@rebath.com |
| Washington | | | | | | | |
| Carl & Karla Bays | Home Remodeling Solutions, LLC dba Re-Bath Tri-Cities | 2839 W. Kennewick Avenue | Kennewick | WA | 99336 | 509-591-0900 | carl.bays@rebath.com |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Evan Wyke & Spencer Shaw | Seattle Bath Solutions, LLC dba Re-Bath Seattle | 11615 116th Ave. NE | Kirkland | WA | 98054 | 206-949-9000 | spencer.shaw@rebath.com |
| Evan Wyke & Spencer Shaw | Seattle Bath Solutions, LLC dba Re-Bath Seattle | 402 Valley Ave. #A109 | Puyallup | WA | 98371 | 206-926-3575 | spencer.shaw@rebath.com |
| Evan Wyke & Spencer Shaw | Spokane Bath Systems, LLC dba Re-Bath Spokane | 12926 E. Indian Ave., Ste. 3 | Spokane | WA | 99216 | 509-321-2315 | spencer.shaw@rebath.com |
| Stephen Thornton | Pacific Horizon Bathrooms, LLC dba Re-Bath Everette | 522 W. Riverside Ave. Ste. N | Spokane | WA | 99201 | 907-351-6122 | Stephen.thornton@rebath.com |
| Wisconsin | | | | | | | |
| Bryan Kuchta and Kristi Van De Yacht | Kuchta & Co. dba Re-Bath Green Bay | 3135 Holmgren Way | Green Bay | WI | 54304 | 920-680-1865 | bryan.kuchta@rebath.com |
| Guy & Patricia Lolmaugh | Modern Homes, Inc. Dba Re-Bath Milwaukee | N/A | Milwaukee | WI | N/A | 262-448-4680 | patricia.lolmaugh@rebath.com |
| Jordan Schmidt | Austin Thomas Solutions, LLC dba Re-Bath Madison | 230 N. Koeller St. | Oshkosh | WI | 54902 | 920-303-5797 | Jordan.schmidt@rebath.com |

**Franchise Agreement Signed but Outlets Not Opened As of December 31, 2025**

*None.*

**List of Franchisees Who Have Left the System During the Fiscal Year Ending December 31, 2025**

| Franchisee/Owner | Telephone Number | City | State |
|---|---|---|---|
| K Kittle, LLC / Kurt Kittleson | 480-998-8900 | Phoenix | AZ |
| Sierra Remodeling and Home Builders, Inc. / Howard Richter | 520-458-3164 | Sierra Vista | AZ |
| CNC Stone, LLC / Drew Kittleson (2 franchised businesses) | 704-440-4726 | Matthews | NC |
| Ultimate Baths, LLC / Tracy Bethel | 215-338-8111 | Philadelphia | PA |

**Franchisees Who Have Left the System or Who Have Not Communicated with Us Within 10 Weeks of the FDD Issuance Date**

| Franchisee/Owner | Telephone Number | City | State |
|---|---|---|---|
| California Bathrooms, Inc. / Bill Thompson (2 franchised businesses) | 619-846-6226 | San Diego | CA |

| | | | |
|---|---|---|---|
| New California Bathroom Corp. / Niko Zavala (4 franchised businesses) | 951-213-1659 | Temecula | CA |
| Bathworks Enterprises, LLC / Ryan Goetz, Justin McConnell & Madison Rybeck | 813-212-7193 | Tampa | FL |
| PV Bathrooms, Inc. / Bob Tombs and Scott Goodhind | 413-376-7151 | Greenfield | MA |
| Mid-America Remodeling LLC / Steve Fesler | 314-849-4882 | Fenton | MO |
| Jay Bee Contracting, LLC / Justin and Stephanie Britton | 585-558-2335 | Perry | NY |
| Dakota Home & Bath, LLC / Rod Moeller | 605-271-5325 | Sioux Falls | SD |
| Austin Thomas Solutions, LLC / Jordan Schmidt | 920-303-5797 | Oshkosh | WI |

**Transfers As of December 31, 2025**

| Franchisee/Owner | Telephone Number | City | State |
|---|---|---|---|
| Jim & Connie Thrasher; Steven & Toni Knight | 515-201-9623 | Des Moines | IA |
| DK Home Remodeling, LLC / Derrick Maschoff and Kevin Gustafson | 630-984-9851 | Carol Stream | IL |

# STATE SPECIFIC ADDENDA

# EXHIBIT G

**ADDENDUM TO THE**
**REBATH, LLC**
**DISCLOSURE DOCUMENT**
**REQUIRED BY**
**THE STATE OF CALIFORNIA**

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

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

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

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

Item 3, Additional Disclosure:

Neither we 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.A. 78a et seq. suspending or expelling such persons from membership in such association or exchange.

Item 5, Additional Disclosure:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

Item 6, Additional Disclosure:

The highest interest rate allowed by law in California is 10% annually.

Item 17, Additional Disclosures:

The franchise agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code

Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The franchise agreement requires application of the laws of Arizona. This provision may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.

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

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 et seq.)

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

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

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

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.

**ADDENDUM TO THE**
**REBATH, LLC**
**FRANCHISE AGREEMENT**
**REQUIRED BY**
**THE STATE OF CALIFORNIA**

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

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

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

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

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Section 4 of the Franchise Agreement is amended to state that all initial fees owed by franchisees to the Franchisor under the Franchise Agreement will be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement and you are open for business.

4. 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.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement.

REBATH, LLC

FRANCHISEE (Print Name)

By: _____ By: _____

Title: _____ Title: _____

**ADDENDUM TO THE**
**REBATH, LLC**
**DISCLOSURE DOCUMENT**
**REQUIRED BY**
**THE STATE OF HAWAII**

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

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.

Item 5 Additional Disclosure:

Payment of the Initial Franchise Fee will be deferred until we have met our initial obligations to the franchisee, and the franchisee has commenced doing business.

**ADDENDUM TO THE**
**REBATH, LLC**
**FRANCHISE AGREEMENT**
**REQUIRED BY**
**THE STATE OF HAWAII**

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> Payment of the Initial Franchise Fee is deferred until such time as we complete our initial obligations and the Franchised Business commences operations.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. 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.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

| REBATH, LLC | FRANCHISEE |
|---|---|
| _____ | _____ |
| By: _____ | By: _____ |
| Its: | Its: |
| Date: _____ | Date: _____ |

**ADDENDUM TO THE**
**REBATH, LLC**
**DISCLOSURE DOCUMENT**
**REQUIRED BY**
**THE STATE OF ILLINOIS**

To the extent the Illinois Franchise Disclosure Act, 815 ILCS 701/1-44 (West 2014) applies, the terms of this Addendum apply.

Item 5, Additional Disclosure:

Payment of the initial franchise fee is deferred until such time as the Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

Item 17, Additional Disclosures. The following statements are added to Item 17:

The Illinois Franchise Disclosure Act governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

Franchisee Acknowledgment / Compliance Certification:

The representations under this Franchise Acknowledgment/Compliance Certification are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act.

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.

**ADDENDUM TO THE**
**REBATH, LLC**
**FRANCHISE AGREEMENT**
**REQUIRED BY**
**THE STATE OF ILLINOIS**

To the extent the Illinois Franchise Disclosure Act, 815 ILCS 701/1-44 (West 2014) applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Illinois Franchise Disclosure Act governs the Franchise Agreement.

> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.
>
> Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
>
> Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. 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.

4. Section 4 of the Franchise Agreement is amended to state that payment of the initial franchise fee is deferred until such time as the Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced business operations.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement.

REBATH, LLC

By: _____
Title: _____

_____
FRANCHISEE (Print Name)

By: _____
Title: _____

**ADDENDUM TO THE**
**REBATH, LLC**
**DISCLOSURE DOCUMENT**
**REQUIRED BY THE STATE OF MARYLAND**

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

Item 5 Additional Disclosure:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

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

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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

Franchisee Acknowledgment / Compliance Certification:

The representations under this Franchise Acknowledgment/Compliance Certification are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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.

**ADDENDUM TO THE**
**REBATH, LLC**
**FRANCHISE AGREEMENT**
**REQUIRED BY THE STATE OF MARYLAND**

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. 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.

4. Sections 25.1, 25.2, and 25.5 of the Franchise Agreement are deleted.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement.

REBATH, LLC

By: _____
Title: _____

_____
FRANCHISEE (Print Name)

By: _____
Title: _____

**ADDENDUM TO THE**
**REBATH, LLC**
**RELEASE**
**REQUIRED BY THE STATE OF MARYLAND**

This Addendum to the Release by and between ReBath, LLC and Franchisee is dated _____, 20__.

1. The following shall be added at the end of Recital C:

; provided however, that this Release shall not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law;

2. The following sentence is added to the end of Section 1:

Notwithstanding the foregoing, this Release shall not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Rider concurrently with the execution of the Release on the day and year first above written.

REBATH, LLC

Date: _____

By: _____
Name: _____
Title _____

FRANCHISEE (Print Name)

Date: _____

Individually: _____

Date: _____

Individually: _____
AND:
(if a corporation, limited liability company or partnership)

_____
Company Name

Date: _____

By: _____
Title: _____

**ADDENDUM TO THE**
**REBATH, LLC**
**DISCLOSURE DOCUMENT REQUIRED BY**
**THE STATE OF MINNESOTA**

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Items 5 and 7, Additional Disclosure:

Payment of the initial franchise fees is deferred until such time as you are open for business.

Item 6, Additional Disclosure:

NSF checks are governed by Minn. Stat. 604.113, which puts a cap of $30 on service charges.

Item 13, Additional Disclosures:

The State of Minnesota considers it unfair to not protect the franchisee's right to use the trademark.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, Item 13 of the Franchise Disclosure Document is amended to state that the franchisor will protect the franchisee's right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify franchisees from any loss, costs, or expenses arising out of any claim, suit or demand regarding the use of the franchisor's primary trade name.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure), 180 days notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

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.

**ADDENDUM TO THE**
**REBATH, LLC**
**FRANCHISE AGREEMENT**
**REQUIRED BY**
**THE STATE OF MINNESOTA**

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, Subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, the Franchise Agreement is amended to state that the franchisor will protect the franchisee's right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify franchisees from any loss, costs, or expenses arising out of any claim, suit or demand regarding the use of the franchisor's primary trade name.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, Subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

The Franchise Agreement contains a liquidated damages provision. This provision may not be enforceable under Minnesota law.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

Payment of the initial franchise fee is deferred until such time as you are open for business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. 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.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement.

REBATH, LLC

By: _____
Title: _____

_____
FRANCHISEE (Print Name)

By: _____
Title: _____

**ADDENDUM TO THE**
**REBATH, LLC**
**DISCLOSURE DOCUMENT**
**REQUIRED BY**
**THE STATE OF NEW YORK**

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

Cover Page, Additional Disclosure.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 3, Additional Disclosure. The last sentence in Item 3 is deleted and replaced with the following:

> Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.
>
> Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation.
>
> Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other

business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4, Additional Disclosure. Item 4 is deleted and replaced with the following:

Except as stated herein, neither we nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 5, Additional Disclosures.

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

Item 17, Additional Disclosures.

The following is added to the Summary sections of Item 17(c) and 17(m): To the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Section 687.4 and 687.5 be satisfied.

The Summary section of Item 17(d) is deleted and replaced with the following language: You may terminate the agreement on any grounds available by law.

The following is added to the Summary section of Item 17(j): No assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

The following is added to the Summary sections of Items 17(v) and 17(w): The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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.

**ADDENDUM TO THE**
**REBATH, LLC**
**FRANCHISE AGREEMENT**
**REQUIRED BY THE STATE OF NEW YORK**

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. 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.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement.

REBATH, LLC

By: _____
Title: _____

_____
FRANCHISEE (Print Name)

By: _____
Title: _____

**ADDENDUM TO THE**
**REBATH, LLC**
**DISCLOSURE DOCUMENT**
**REQUIRED BY**
**THE STATE OF NORTH DAKOTA**

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

Items 5 and 7, Additional Disclosure:

Payment of the initial franchise fee is deferred until such time as the Franchisor has satisfied its pre-opening obligations to franchisee under the Franchise Agreement and franchisee has commenced doing business pursuant to the Franchise Agreement.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Any provision requiring franchisees to consent to the application of laws of a state other than North Dakota may be unenforceable under North Dakota law. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

The State of North Dakota has determined that parties agreeing to the arbitration or mediation or disputes at a location that is remote from the site of the franchisee's business is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

Any general release the franchisee is required to assent to as a condition of renewal is not intended to nor shall it act as a release, estoppel or waiver of any liability franchisor may have incurred under the North Dakota Franchise Investment Law.

Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

The Franchise Agreement includes a waiver of exemplary and punitive damages. This waiver may not be enforceable under North Dakota law.

The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by franchisor in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This waiver may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement state that franchisee must consent to the jurisdiction of courts outside that State of North Dakota. That requirement may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement may require franchisees to consent to termination or liquidated damages. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a limitation of claims within 1 year. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

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.

**ADDENDUM TO THE**
**REBATH, LLC**
**FRANCHISE AGREEMENT**
**REQUIRED BY**
**THE STATE OF NORTH DAKOTA**

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any release executed in connection with a renewal shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.

Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

The State of North Dakota has determined that parties agreeing to the arbitration or mediation or disputes at a location that is remote from the site of the franchisee's business is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement states that franchisee must consent to the jurisdiction of courts located outside the State of North Dakota. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a limitation of claims within 1 year. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

Section 4 of the Franchise Agreement is amended to state that payment of the initial franchise fee is deferred until such time as the Franchisor has satisfied its pre-opening obligations to franchisee under the Franchise Agreement and franchisee has commenced doing business pursuant to the Franchise Agreement.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. 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.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement.

REBATH, LLC

By: _____
Title: _____

_____
FRANCHISEE (Print Name)

By: _____
Title: _____

**ADDENDUM TO THE**
**REBATH, LLC**
**DISCLOSURE DOCUMENT**
**REQUIRED BY**
**THE STATE OF RHODE ISLAND**

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

Item 17, Additional Disclosure. The following statement is added to Item 17:

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

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.

**ADDENDUM TO THE**
**REBATH, LLC**
**FRANCHISE AGREEMENT**
**REQUIRED BY**
**THE STATE OF RHODE ISLAND**

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. 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.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement on the day and year first above written.

REBATH, LLC

By: _____
Title: _____

_____
FRANCHISEE (Print Name)

By: _____
Title: _____

**ADDENDUM TO THE**
**REBATH, LLC**
**DISCLOSURE DOCUMENT**
**REQUIRED BY**
**THE STATE OF SOUTH DAKOTA**

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

Item 5, Additional Disclosure:

> Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

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.

**ADDENDUM TO THE**
**REBATH, LLC**
**FRANCHISE AGREEMENT**
**REQUIRED BY**
**THE STATE OF SOUTH DAKOTA**

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. 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.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

REBATH, LLC

By: _____
Title: _____

_____
FRANCHISEE (Print Name)

By: _____
Title: _____

**ADDENDUM TO THE**
**REBATH, LLC**
**DISCLOSURE DOCUMENT**
**REQUIRED BY**
**THE STATE OF VIRGINIA**

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

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

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 initial investment ranging from $275,875 to $606,925. As noted in the financial statements, the Franchisor has a negative stockholders equity of ($10,180,079) as of December 31, 2025. A prospective franchisee should carefully review the financial statements and bear this in mind when forming its investment decision.

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.

**ADDENDUM TO THE**
**REBATH, LLC**
**FRANCHISE AGREEMENT**
**REQUIRED BY**
**THE STATE OF VIRGINIA**

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. 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.

4. The following applies to a Franchise Agreement executed on or after July 1, 2026, for a franchise located in Virginia:

(a) Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

(b) Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement on the day and year first above written.

REBATH, LLC

_____
FRANCHISEE (Print Name)

By: _____ By: _____
Title: _____ Title: _____

**REBATH, LLC**
**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

**8. Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

**9. Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

**10. Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

**11. Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

**12. Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

**13. Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

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

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

**16. Questionnaires and Acknowledgments.** 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.

**17. Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

**18. Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

**19.** In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement.

REBATH, LLC

By: _____
Title: _____

_____
FRANCHISEE (Print Name)

By: _____
Title: _____

**ADDENDUM TO THE**
**REBATH, LLC**
**DISCLOSURE DOCUMENT**
**REQUIRED BY THE STATE OF WISCONSIN**

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

> For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.
>
> For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

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.

**ADDENDUM TO THE**
**REBATH, LLC**
**FRANCHISE AGREEMENT**
**REQUIRED BY THE STATE OF WISCONSIN**

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> To the extent any of the provisions regarding notice of termination or change in dealership are in conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law shall apply.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. 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.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement.

REBATH, LLC

_____
FRANCHISEE (Print Name)

By: _____
Title: _____

By: _____
Title: _____

# FINANCING DOCUMENTS

# EXHIBIT H

**RE-BATH**
**PROMISSORY NOTE**

Loan # _____

_____ $_____

For value received, (Entity Name), a/an (State) corporation/limited liability company ("Makers"), jointly, severally and unconditionally promise to pay to the order of ReBath, LLC, a Delaware limited liability company ("ReBath"), the principal amount of (Amount Financed) Dollars ($ .00) together with interest on the unpaid principal balance outstanding from time to time at the rate of (Amount) percent (_____%) per annum (subject to the provisions contained hereinafter), based on a three hundred, sixty (360) day year, from the date hereof until all amounts due hereunder are paid in full, in (____) equal payments of principal and interest in the amount of $_____ each on or before the first (1st) day of each month, beginning _____, and ending _____.

Makers hereby irrevocably authorize ReBath to deduct the payments payable hereunder from Makers operating account automatically on the first (1st) of each month by way of electronic funds transfer.

Makers may prepay all or any part of the unpaid principal, together with any interest accrued thereon, at any time or from time to time, without premium or penalty. Payment shall be applied first to accrued interest and then to principal, in the inverse order of maturity.

Any default by Makers under the Franchise Agreement between Makers and ReBath or any termination of the Franchise Agreement shall also constitute a default by Makers under this Note and any default by Makers under this Note shall also constitute a default by Makers under the Franchise Agreement. In addition, Makers shall be in default under this Note if Makers fail to timely make any of the payments due and payable hereunder. If Makers fail to cure a default within ten (10) days following their receipt of a written notice of such default, then an "Event of Default" shall have occurred. Upon the occurrence of an Event of Default, the entire principal balance outstanding hereunder shall bear interest at the rate of eighteen percent (18%) per annum (the "Default Rate") from the date hereof until paid and, at the election of ReBath, the entire principal balance outstanding hereunder together with interest at the Default Rate, shall, upon written notice to Makers, become immediately due and payable. ReBath's failure to declare acceleration for any cause shall not prevent ReBath from declaring acceleration at any later time for such, or any other Event of Default.

Except to the extent expressly set forth herein, Makers waive diligence, demand, grace, presentment for payment, notice of non-payment, protest and notice of protest, notice of dishonor, notice of extension, and notice of default.

If ReBath is required to take any action to collect any amounts due under this Note, Makers shall, upon demand, reimburse ReBath for its reasonable out-of-pocket costs and expenses actually incurred, including without limitation, reasonable attorneys' fees, whether or not suit is filed, and all costs of collection, suit, and preparation for suit.

If Maker is a corporation, limited liability company, partnership or other legal entity, then Franchisee's obligations under this Note are secured by the personal guarantees of each person directly or indirectly owning or holding a fifteen percent (15%) or more ownership interest in Franchisee, pursuant to the terms of the Continuing Personal Guaranty, which is attached hereto.

The provisions of this Note shall be binding upon Makers and their heirs and assigns, and shall inure to the benefit of ReBath and any subsequent holders of all or any portion of this Note, and their respective successors and assigns.

Without affecting the liability of any maker, endorser, surety, or guarantor, ReBath may, without notice, renew or extend the time for payment, accept partial payments, or agree not to sue any party liable under this Note.

All notices, requests, demands and other communications required or permitted under this Note shall be in writing and shall be deemed to have been duly given, made and received when given consistent with the terms of the Franchise Agreement.

This Note will be governed by, and construed and enforced in accordance with, the law of the State of Arizona, notwithstanding any conflict of law provisions to the contrary. Makers agree that any litigation in connection with this Note will be commenced and maintained only in the courts located in Maricopa County, Arizona, and Makers consent to the jurisdiction of such courts.

IN WITNESS WHEREOF, Makers have duly executed, and delivered this Note as of the date first written above.

MAKERS:

_____ _____ % of ownership in
Franchisee
By: _____
(Position) of
(Entity Name)

_____ _____ % of ownership in
Franchisee
By: _____
(Position) of
(Entity Name)

**RE-BATH**
**CONTINUING PERSONAL GUARANTY**

Loan # _____

_____ $_____

THIS CONTINUING PERSONAL GUARANTY is executed by the guarantors listed on the signature page (each a "Guarantor" or "you") in favor of ReBath, LLC, a Delaware limited liability company ("ReBath").

A. As an inducement for ReBath to loan funds to (Franchisee) ("Franchisee"), pursuant to the terms of a Promissory Note dated as of the date hereof in the original principal amount of (Amount) ($_____.00) (the "**Note**"), each of you has agreed to jointly and severally guarantee the obligations of Franchisee under the Note.

B. Each of you owns an equity interest in Franchisee.

NOW THEREFORE, in consideration of the foregoing, and the extension of credit to Franchisee by ReBath, each of you agrees, for the benefit of ReBath, as follows:

1. Each of you jointly, severally, and unconditionally guarantees and promises to pay to ReBath and to perform, for the benefit of ReBath, on demand, any and all obligations and liabilities of Franchisee in connection with, or arising out of, the Note (the "**Obligations**").

2. This is a guaranty of payment and not of collection. This Continuing Personal Guaranty will remain in full force and effect until all amounts payable by each Guarantor have been validly, finally and irrevocably paid in full and all Obligations will have been validly, finally and irrevocably satisfied or performed in full.

3. Your obligations under this Continuing Personal Guaranty are joint and several and are independent of the obligations of Franchisee. A separate action or actions may be brought and prosecuted against any one or more of you regardless of whether an action is brought against the Franchisee, any one or more of you, or whether the Franchisee or the other Guarantors are joined in any such action. Each of you waives the benefit of any statute of limitations affecting your liability under this Continuing Personal Guaranty or the enforcement of this Continuing Personal Guaranty. Each of you waives your rights under A.R.S. Section 12-1641, et seq. and Rule 17(f) of the Arizona Rules of Civil Procedure for the Superior Courts of Arizona, which set forth certain rights and obligations among guarantors, debtors and creditors, if applicable, including the right to require ReBath to bring an action against the Franchisee prior to enforcing its rights under this Continuing Personal Guaranty. Each of you waives any right to require ReBath to proceed against or exhaust any security interest held in the property of Franchisee or to pursue any other remedies that ReBath may have. Each of you waives all requirements as to presentment, demand for performance, notice of non-performance, protest, notice of protest, notice of dishonor, and notice of acceptance of this Continuing Personal Guaranty and of the existence, creation or incurring of new or additional Obligations or indebtedness.

4. Each of you authorizes ReBath, without notice or demand and without affecting your liability under this Continuing Personal Guaranty to renew, compromise, modify, extend, accelerate or otherwise change the terms of any present or future Obligations and/or agreements between Franchisee and ReBath. Any change in the Obligations and/or agreements will have no effect on your liability under this Continuing Personal Guaranty. You will remain liable for the Obligations as set forth in this Continuing Personal Guaranty if Franchisee fails to satisfy any Obligations.

5. If any one or more of the provisions in this Continuing Personal Guaranty are held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Continuing Personal Guaranty, and this Continuing Personal Guaranty will be construed as if such provision had never been contained herein.

6. If ReBath is required to take any legal action to enforce its rights under this Continuing Personal Guaranty, ReBath may recover from you its costs and expenses in connection therewith, including, without limitation, reasonable attorneys' fees, whether or not suit is filed, and all costs of collection, suit, and preparation for suit (whether at trial or appellate level).

7. Nothing in this Continuing Personal Guaranty will constitute a waiver or limitation of any other rights or remedies of ReBath against Franchisee or any of you. No failure or delay on the part of ReBath or its Affiliates in exercising its rights under this Continuing Guarantee Agreement will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any right will be deemed a waiver of any other right. The rights provided for in this Continuing Personal Guaranty are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law.

8. Each of you agrees that you will not exercise any rights of subrogation that you may acquire due to any payment or performance of the Obligations of the Franchisee pursuant to this Continuing Personal Guaranty unless and until all amounts payable to ReBath, and all Obligations for the benefit of ReBath, due under the Note will have been validly, finally and irrevocably paid and performed in full.

9. This Continuing Personal Guaranty will be binding upon each of you and your respective representatives, heirs and assigns, and will inure to the benefit of ReBath, and their respective heirs and assigns.

10. If more than one (1) person signs this Continuing Personal Guaranty, your obligations will be joint and several. Each of you acknowledges and agrees that Blue Frog Plumbing & Drain will materially rely upon each of your promises and obligations under this Continuing Personal Guaranty.

11. If the spouse of any Guarantor does not sign this Continuing Personal Guaranty, such Guarantor represents that he or she is not married.

12. This Continuing Personal Guaranty will be governed by, and construed and enforced in accordance with, the laws of the State of Arizona, notwithstanding any conflict of law provisions to the contrary. You agree that any litigation in connection with this Continuing Personal Guaranty will be commenced and maintained only in the courts located in Maricopa County, Arizona, and you consent to the jurisdiction of such courts.

| GUARANTOR(S) | PERCENTAGE OF OWNERSHIP IN FRANCHISEE |
|---|---|
| Sign Name: _____ | _____ % |
| Print Name: _____ | |
| Address: _____ | |
| _____ | |

**RE-BATH**
**SECURITY AGREEMENT**

Loan # _____

_____ $_____

THIS SECURITY AGREEMENT is made and entered into as of this day _____, by and between _____, a _____ with its principal place of business located at _____ ("**Debtor**"), and ReBath, LLC, a Delaware limited liability company with its principal place of business located at 426 N. 44th Street, Suite 410, Phoenix, Arizona 85008 ("**Secured Party**").

**AGREEMENT**

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Debtor grants to Secured Party a security interest in the property described in Schedule I attached hereto, together with all after-acquired property of the same general class and description and the proceeds of all property encumbered hereby (the "**Collateral**").

TO SECURE:

a. Payment of sums owed by Debtor to Secured Party in connection with Debtor's purchase of products and goods from Secured Party;

b. Debtor's obligations to Secured Party under that or those certain Franchise Agreement(s) between Secured party and Debtor;

c. Debtor's obligations to Secured Party and its affiliates, under that certain Promissory Note made in favor of Secured Party and all obligations under it;

d. Any and all other obligations, indebtedness and liabilities of Debtor to Secured Party, or any subsidiary or affiliate of Secured Party, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising; and

e. Performance of each agreement of Debtor contained herein.

DEBTOR WARRANTS AND AGREES:

Debtor is the owner of the Collateral, free from any adverse lien, security interest or encumbrance, and Debtor will defend against all claims and demands of all persons at any time claiming the same or an interest therein.

Except as otherwise provided herein, no Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office. Debtor hereby authorizes Secured Party to execute, on behalf of both Debtor and Secured Party, one (1) or more Financing Statements, pursuant to the Uniform Commercial Code, in form satisfactory to Secured Party, and to file or record same in all public offices wherever filing or recording is deemed by Secured Party to be necessary or desirable and Debtor agrees to pay the cost of filing or recording the same and/or this Agreement.

To do all acts that may be necessary to maintain, preserve and protect the Collateral, not to commit or permit any waste thereof, and to maintain the Collateral in good order, repair and condition, reasonable wear and tear excepted.

Except in the ordinary course of business, not to sell, assign, lease, encumber, or otherwise dispose of all or any of the Collateral without the prior written consent of Secured Party.

To pay, at least ten (10) days before delinquency, all taxes, assessments and liens now or hereafter imposed on the Collateral, and to provide, maintain in force at all times, and deliver to Secured Party fire and other insurance policies (including all risk, and earthquake insurance) on the Collateral, as Secured Party may, at its discretion, require, in amounts and with companies satisfactory to Secured Party with loss payable to Secured Party.

If Debtor fails to make any payment or do any act as herein required, then Secured Party, without obligation to do so and without notice to or demand upon Debtor, may make such payments and do such acts as Secured Party may deem necessary to protect its security interest in the Collateral, Secured Party being hereby authorized (without limiting the general nature of the authority hereinabove conferred) to take possession of the Collateral or any part thereof and to pay, purchase, contest or compromise any security interest, encumbrance, charge or lien which, in the judgment of Secured Party, appears to be prior or superior to or to jeopardize the security interest granted hereby, and in exercising any such powers and authority to incur necessary expenses, including attorneys' fees. Secured Party's determination as to whether or not Debtor has failed to make any payment or do any act as herein required shall be final and conclusive. Debtor hereby agrees to repay immediately and without demand all sums expended by Secured Party pursuant to the provisions of this paragraph with interest from date of expenditure at the rate of ten (10%) percent per annum.

Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions:

a. Default by Debtor in the payment of the obligations or liabilities secured hereby, or failure by Debtor to perform any agreement herein contained or secured hereby.

b. Any warranty, representation or statement, made or furnished to Secured Party by or on behalf of Debtor, proves to have been false in any material respect when made or furnished;

c. Substantial uninsured damage, destruction, or danger, in the opinion of Secured Party, of misuse or confiscation of Collateral or the making of any levy, seizure or attachment thereof or therein; or

d. Insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency laws by, or against, Debtor.

Upon any such default, Secured Party, at its option, without demand upon or notice to Debtor, may declare all indebtednesses, obligations and liabilities secured hereby to be immediately due and payable, and Secured Party shall have all the rights and remedies provided a secured party under the Uniform Commercial Code and may proceed to foreclose the security interest created hereby according to law, and may, at its option, and it is hereby empowered, with or without foreclosure action, to enter upon any premises where the Collateral or any part thereof may be and take possession thereof and remove the Collateral or any part thereof. In addition, Secured Party may require and Debtor agrees to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private or other intended disposition is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown above at least ten (10) days before the time of the sale or disposition. The Collateral may be sold in one or more lots and at one or more sales, which may be held

on different days and need not be held within view of the Collateral being sold. Secured Party shall deduct and retain from the proceeds of such sale or sales all costs and expenses paid or incurred in the taking, removal, holding, preparing for sale or sales of the Collateral, including any reasonable attorneys' fees and legal expenses incurred or paid by Secured Party; the balance of the proceeds shall be applied by Secured Party upon the indebtednesses, obligations and liabilities secured hereby, in such order and manner as Secured Party may determine, and the surplus, if any, shall be paid to Debtor or to the person or persons lawfully entitled to receive the same.

Secured Party, at its option, shall have the right to commence any action or proceeding against a third party or appear in or defend any action or proceeding brought by a third party purporting to affect the rights, duties or liabilities of the parties hereto, including, without limiting the generality of the foregoing, an action to foreclose the security interest created hereby, and in connection therewith to incur costs, expenses and attorneys' fees in any such action or proceeding in which the Secured Party shall appear, all of which costs, expenses and attorneys' fees will be paid or reimbursed to Secured Party by Debtor together with interest from the date of expenditure at the rate often (10%) percent per annum.

In the event of any default hereunder, Secured Party shall be entitled, without notice and without regard to the adequacy of the Collateral and of any other security for the indebtedness hereby secured, to the appointment of a receiver to take possession of all or any part of the Collateral and to exercise such powers as the Court shall confer upon it/him/her.

At any public sale or sales made under this Section 8 or authorized herein or by laws, or at any sale or sales made upon judicial foreclosure of this security interest, Secured Party (or its representative) may bid for and purchase any Collateral being sold and, in the event of such purchase, shall hold such property thereafter discharged of all rights of redemption.

Secured Party shall be entitled to enforce any indebtedness, obligation or liability secured hereby and to exercise all rights and powers hereby conferred, although some or all of the indebtedness, obligations and liabilities secured hereby are now or shall hereafter be otherwise secured. Debtor's acceptance of this Agreement shall not affect or prejudice Secured Party's right to realize upon or enforce any other security now or hereafter held by Secured Party, and

Secured Party shall be entitled to exercise all rights of setoff to the same effect and in the same manner as if this security interest had not been given.

In the event suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover, as an element of damages, its cost of suit and, not as damages, a reasonable attorneys' fee to be fixed by the Court.

The words "Secured Party" and "Debtor," as used herein, shall be construed to include the heirs, legatees, devisees, administrators, executors, successors and assigns, respectively, of Secured Party and Debtor. This Agreement shall bind and inure to the benefit of such third persons. Whenever the context so requires, the masculine gender includes the feminine and neuter, the singular number includes the plural, and vice versa. All references herein to the Uniform Commercial Code means the Uniform Commercial Code as adopted by the State in which Secured Party's principal place of business is located.

DEBTOR HEREBY SPECIFICALLY CERTIFIES THAT IT HAS READ AND FULLY UNDERSTANDS THIS SECURITY AGREEMENT.

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

| SECURED PARTY | DEBTOR |
|---|---|
| By: Brad Hillier<br>CEO<br>ReBath, LLC | By: (Owner #1)<br>(Position in Entity) of<br>(Entity Name) |
| | By: (Owner #1)<br>(Position in Entity) of<br>(Entity Name) |

## SCHEDULE I

Any and all personal property of Debtor, including but not limited to all furniture, fixtures, leasehold improvements, equipment, inventory, goods and supplies, accounts, chattel paper and other tangibles and intangibles and all after-acquired property and proceeds related to any of the foregoing.

# SAMPLE RENEWAL AMENDMENTS

# EXHIBIT I

**RENEWAL AMENDMENT**
**TO**
**RE-BATH FRANCHISE AGREEMENT**

This Renewal Addendum to the Re-Bath Franchise Agreement ("**Addendum**") is made and entered into on this [EFFECTIVE DATE], by and between ReBath, LLC, a Delaware limited liability company, whose principal place of business is 426 North 44th Street, Suite 410, Phoenix, Arizona 85008 ("**we**," "**us**," or "**our**"), and [FRANCHISE ENTITY], a [STATE] [ENTITY TYPE], whose principal place of business is [ADDRESS] ("**you**" or "**your**") (collectively, the "**Parties**").

**RECITALS**

A. On [DATE OF FRANCHISE AGREEMENT], we and you entered into that certain [FRANCHISE AGREEMENT NAME] (the "**Expired Franchise Agreement**"), pursuant to which you established and operate a franchised ReBath bathroom remodeling business (the "**Franchised Business**") under ReBath Account No. [FID];

B. The Expired Franchise Agreement provides for an initial term that expired on [EXPIRATION DATE];

C. The Expired Franchise Agreement grants you the conditional right to renew the Franchised Business relationship for one (1) renewal term of ten (10) years;

D. Under the Expired Franchise Agreement, you may have become eligible to renew your right to operate the Franchised Business subject to and conditioned upon your satisfaction of certain renewal criteria described in the Expired Franchise Agreement ("**Renewal Criteria**");

E. You are eligible to renew your right to operate the Franchised Business under the Renewal Criteria, and you desire to renew your right to operate the Franchised Business; and

F. We and you have, contemporaneously with the execution of this Addendum, executed our current form of franchise agreement (the "**Renewal Franchise Agreement**"), which, except for any surviving provisions, supersedes the Expired Franchise Agreement.

NOW, THEREFORE, the parties in consideration of the undertakings and commitments of each Party to the other Party set forth herein and in the Renewal Franchise Agreement, hereby agree as follows:

1. Renewal. Section 2.2 (including 2.2.1 through 2.2.9) of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect.

2. Opening Assistance. The first sentence of Section 3.1 of the Renewal Franchise Agreement and Section 3.3 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect.

3. Initial Franchise Fee. Section 4.1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force effect and the following shall be substituted in lieu thereof:

> 4.1. Program Fee. You shall pay us a fee of Five Thousand Dollars ($5,000) upon execution of this Agreement ("**Program Fee**"). The Program Fee shall be non-refundable in consideration of the administrative and other expenses incurred by us in renewing this franchise.

In addition, the section entitled "Initial Franchise Fee," contained in Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

Program Fee: $5,000

4. Pre-Opening Obligations. The Pre-Opening Obligations and Initial Training contained in the Renewal Franchise Agreement, including without limitation, Sections 5.2 through 5.4, Sections 5.5.1 through 5.5.4, Sections 10.4.1 and 10.4.2, Section 14.2.1, shall be deleted in its entirety and shall have no force or effect.

5. Remodeling. The second sentence of Section 5.11 shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

> Without limiting the foregoing, not sooner than three (3) years nor later than five (5) years after the Effective Date, you shall refurbish the Franchised Business (including the Showroom Approved Location and Vehicles) at your expense to conform to the interior design, trade dress, signage, furnishings, décor, color schemes, and presentation of the Marks in a manner consistent with the image then in effect for new Re-Bath Businesses, including remodeling, redecoration, and modifications to existing improvements, as we may require in writing (collectively, "**Facilities Remodeling**").

6. Franchise Structure. Sections 5.28.1(i), 5.28.2(i) and 5.28.3(i) of the Renewal Franchise Agreement shall be deleted in their entirety and shall have no force or effect and the following shall be substituted in lieu thereof for each:

> (i) confine your activities, and your governing documents shall at all times provide that your activities are confined, exclusively to operating the Franchised Business;

7. Minimum Royalty Fees. The Section entitled "Minimum Royalty Fees" contained in Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

| Year* | Minimum Royalty Fees |
|---|---|
| 1 | $800 per week |
| 2 and beyond | $800 per week |

8. Minimum Local Advertising Requirement. The Section entitled "Minimum Local Advertising Requirement" contained in Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

| Year* | Minimum Local Advertising Requirement |
|---|---|
| 1 | Greater of $0.15 per Person or 10% of Prior Calendar Quarter's Gross Sales |
| 2 and beyond | Greater of $0.15 per Person or 10% of Prior Calendar Quarter's Gross Sales |

9. Minimum Annual Gross Sales Requirement. The Section entitled "Minimum Annual Gross Sales Requirement" contained in Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

| Year* | Minimum Annual Gross Sales |
|---|---|
| 1* | $1.50 per Person* |
| 2 & Beyond | $1.50 per Person |

10. Minimum Advertising Contribution. The table in the Section entitled "Minimum Advertising Contribution" contained in Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

| Year* | Minimum Advertising Contribution |
|---|---|
| 1 | $400 per week |
| 2 and beyond | $400 per week |

11. Year Definition. The last paragraph of Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

> As used in the tables above, "**Person**" means an individual in the Protected Territory Population, as determined by us in our sole discretion. "**Year**" refers to our fiscal year, which is currently the same as the calendar year. The start of "Year 1" will commence on the Effective Date of your Franchise Agreement and at the end of that calendar year.

12. Release. You, on behalf of yourself, and each of your past, present, and future partners, directors, officers, members, shareholders, employees, agents, representatives, insurers, successors, assigns, trustees, parent and your affiliated entities, divisions, subsidiaries, related companies, predecessors, successors-in-interest, spouses, heirs, descendants, administrators, executors, beneficiaries, and trustees ("**Releasors**"), hereby release, remise and forever discharge us and each of our past, present, and future, partners, directors, officers, members, shareholders, employees, agents, representatives, franchisees, attorneys, insurers, successors, assigns, heirs, descendants, administrators, executors, beneficiaries, trustees, parent and our affiliated entities, divisions, subsidiaries, related companies, predecessors, successors-in-interest, spouses, heirs, descendants, administrators, executors, beneficiaries, and trustees ("**Releasees**") both personally and in their capacity as such, of and from all demands, complaints, cross-complaints, claims, actions, causes of action, controversies, suits, appeals, accounts, covenants, promises, contracts, agreements, costs, fees, damages, debts, liens, payments, obligations, debts, judgments, losses, expenses, and liabilities whatsoever (whether known or unknown), both in law and in equity, that you or any other Releasor ever had, may have had, or now has, arising out of or related to: (1) the Renewal Franchise Agreement (including any previous versions thereof and addendums or amendments thereto), (2) the Franchised Business, and (3) any franchise relationship between us and you, except for: (i) the rights and obligations that we may owe to you under the Renewal Franchise Agreement.

13. Definitions. Any capitalized terms used which are not defined herein this Addendum shall use the definitions attributed to such capitalized terms in the Renewal Franchise Agreement.

14. Miscellaneous. All other provisions of the Renewal Franchise Agreement are hereby verified and confirmed. Except as expressly provided in the Renewal Franchise Agreement and this Addendum, the provisions of the Expired Franchise Agreement, and any rights and obligations thereunder, shall terminate as of the Effective Date, and the relationship between you and us related to the operation of the Re-Bath Business will be governed solely by the Renewal Franchise Agreement, this Addendum, and other ancillary documents executed in connection with the Renewal Franchise Agreement. Notwithstanding the foregoing, you must fully comply with any and all obligations that arose out of the Expired Franchise Agreement prior to the Effective Date, including but not limited to the paying of all fees and amounts due thereunder. The execution of the Renewal Franchise Agreement and this Addendum does not constitute a waiver of liability or obligation related to any unperformed obligations under the Expired Franchise Agreement, whether accrued or contingent and whether known or unknown.

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties hereto have duly signed and delivered this Addendum in duplicate on the day and year first above written.

| | |
|---|---|
| ReBath, LLC | [FRANCHISEE ENTITY] |
| Franchisor | Franchisee |
| By: | By: |
| Name: | Name: |
| Title: | Title: |

**SAR RENEWAL AMENDMENT**
**TO**
**RE-BATH FRANCHISE AGREEMENT**

This SAR Renewal Addendum to the Re-Bath Franchise Agreement ("**Addendum**") is made and entered into on this [EFFECTIVE DATE], by and between ReBath, LLC, a Delaware limited liability company, whose principal place of business is 426 North 44th Street, Suite 410, Phoenix, Arizona 85008 ("**we**," "**us**," "**Company**," or "**our**"), and [FRANCHISE ENTITY], a [STATE] [ENTITY TYPE], whose principal place of business is [ADDRESS] ("**you,**" "**Franchisee**," or "**your**") (collectively, the "**Parties**").

**RECITALS**

G. On [DATE OF SAR FRANCHISE AGREEMENT], we and you entered into that certain Second Amended and Restated Renewal Franchise Agreement (the "SAR"), pursuant to which you operated a franchised ReBath bathroom remodeling business (the "**Franchised Business**") under ReBath Account No. [FID];

H. The SAR provides for a term that expires on [EXPIRATION DATE];

I. The SAR grants you the conditional right to renew the Franchised Business relationship for one (1) renewal term of ten (10) years;

J. Under the SAR, you may have become eligible to renew your right to operate the Franchised Business subject to and conditioned upon your satisfaction of certain renewal criteria described in the SAR ("**Renewal Criteria**");

K. You were the original party to the SAR and the SAR has not been transferred or assigned;

L. You are eligible to renew your right to operate the Franchised Business under the Renewal Criteria, and you desire to renew your right to operate the Franchised Business; and

M. We and you have, contemporaneously with the execution of this Addendum, executed our current form of franchise agreement (the "**Renewal Franchise Agreement**"), which, except for any surviving provisions, supersedes the SAR.

NOW, THEREFORE, the parties in consideration of the undertakings and commitments of each Party to the other Party set forth herein and in the Renewal Franchise Agreement, hereby agree as follows:

15. Renewal. Section 2.2 (including 2.2.1 through 2.2.9) of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect.

16. Opening Assistance. The first sentence of Section 3.1 of the Renewal Franchise Agreement and Section 3.3 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect.

17. Initial Franchise Fee. Section 4.1 of the Renewal Franchise Agreement shall be deleted in its entirety. In lieu of the Initial Franchise Fee, you will pay us a renewal fee of Five Thousand Dollars ($5,000) upon execution of the Renewal Franchise Agreement. In addition, the section entitled "Initial Franchise Fee," contained in Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof: "Renewal Fee: $5,000."

18. Royalty Fees. Section 4.2 of the Renewal Franchise Agreement is deleted in its entirety and the following is substituted in lieu thereof:

> 4.2 Royalty Fee. During the term of this Agreement, you shall pay us a monthly royalty fee ("**Royalty Fee**"), in an amount equal to the "**Royalty Percentage**" (as determined in the table below) multiplied by the Applicable Sales Figure for the previous month. The "**Applicable Sales Figure**" will be the greater of (i) 50% of your Installed Sales Quota that is in effect during the previous month divided by 12 or (ii) your actual Installed Sales for the previous month.

| **Your Applicable Sales Figure for Previous Month (CPI Adjusted from SAR to 2026)** | **Royalty Percentage** |
|---|---|
| $0 - $112,500.00 | 5% |
| $112,500.01 - $168,750.00 | 3.75% |
| $168,750.01 - $337,500.00 | 3.5% |
| $337,500.01 - $506,250.00 | 3% |
| $506,250.01 - $618,750.00 | 2.5% |
| $618,750.01 - $900,000.00 | 2.25% |
| $900,000.01 or more | 2% |

.

> You must accurately report to us in writing (or electronically, as specified by us) your Installed Sales (a "Sales Report") weekly on the day we designate, or at such other time and in such method and manner as we specify.

In addition, the Section entitled "Royalty Fees" contained in Exhibit A-1 is deleted and replaced with the above table from the amended Section 4.2.

19. Installed Sales and Installed Sales Quota.

The following is added to the end of Section 4.3: "The term "**Installed Sales**" means all revenues of the Franchised Business, including, without limitation, services performed from, through, by, or on account of the operation of the Franchised Business and revenues from the sale of products, less the amount of sales tax or similar receipts which, by law, are chargeable to customers, if taxes are separately stated when the customer is charged and paid to the appropriate taxing authority. Installed Sales does not include (i) any bona fide refunds, rebates or discounts granted in the ordinary course of business that are credited against revenue in accordance with GAAP and (ii) any commissions paid or credited to a National Account that are credited against revenue in accordance with GAAP. Installed Sales includes all sales, whether cash or credit (including, credit card and debit card transactions and payments using a check). Revenues shall be reported as Installed Sales at the earlier of (x) Franchisee completing a project (whether the project includes only a delivery of products or the provision of installation services) or (y) Franchisee providing a final invoice to a customer for products or services. If a transaction that was included in a prior period's report of Installed Sales is subsequently determined to be uncollectable, that amount will be allowed as a credit against the Installed Sales reported."

For purposes of the Renewal Franchise Agreement and this Addendum, your "**Installed Sales Quota"** will be calculated by multiplying the population of the Protected Territory by the

applicable Sales Multiplier. The "**Sales Multiplier"** shall be $1.20 for Protected Territories with 999,999 or fewer people; $0.90 for Protected Territories with 1,000,000 to 2,499,999 people; or $0.65 for Protected Territories with 2,500,000 or more people. Franchisee's Installed Sales must exceed the Installed Sales Quota in each Quota Period. A "**Quota Period"** shall be a 12-month period, beginning on January 1st and ending on December 31st of each year. The Installed Sales Quota may be adjusted by the Company at the start of any Quota Period based on (i) any change to the population in the Protected Territory released by the Company's population data supplier during the previous Quota Period and (ii) the applicable Sales Multiplier multiplied by an amount equal to the increase during the previous calendar year, if any, in the CPI.

20. All references to "Gross Sales in Section 4.4 of the Renewal Franchise Agreement are deleted and replaced with "Gross Sales or, where specifically indicated, Installed Sales".

21. Minimum Royalty Fees. The Section entitled "Minimum Royalty Fees" contained in Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

| **Year*** | **Minimum Royalty Fees** |
|---|---|
| 1 | $800 per week |
| 2 and beyond | $800 per week |

22. Pre-Opening Obligations. The Pre-Opening Obligations and Initial Training contained in the Renewal Franchise Agreement, including without limitation, Sections 5.2 through 5.4, Sections 5.5.1 through 5.5.4, Sections 10.4.1 and 10.4.2, and Section 14.2.1 are deleted in full and have no force or effect.

23. Remodeling. The second sentence of Section 5.11 shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

> Without limiting the foregoing, not sooner than three (3) years nor later than five (5) years after the Effective Date, you shall refurbish the Franchised Business (including the Showroom Approved Location and Vehicles) at your expense to conform to the interior design, trade dress, signage, furnishings, décor, color schemes, and presentation of the Marks in a manner consistent with the image then in effect for new Re-Bath Businesses, including remodeling, redecoration, and modifications to existing improvements, as we may require in writing (collectively, "**Facilities Remodeling**").

24. Franchise Structure. Sections 5.28.1(i), 5.28.2(i) and 5.28.3(i) of the Renewal Franchise Agreement shall be deleted in their entirety and shall have no force or effect and the following shall be substituted in lieu thereof for each:

> (i) confine your activities, and your governing documents shall at all times provide that your activities are confined, exclusively to operating the Franchised Business;

25. Advertising Fund. The opening paragraph of Section 10.2 of the Renewal Franchise Agreement is deleted in full and replaced with the following (for the avoidance of doubt, subsections 10.2.1 through 10.2.6 of the Renewal Franchise Agreement are not deleted and remain in effect in full unmodified):

> You will contribute ("**Advertising Contribution**") to the Advertising Fund each week as follows:
>
> You will pay us a weekly fee in an amount equal to the lesser of (a) (i) the greater of the population of the Protected Territory (using the population data provided by the Company's population data supplier as of the start of the applicable year) multiplied by the Minimum Installed Sales requirement for the market size multiplied by 0.5%, or (ii) 0.5% of the previous months' Installed Sales or (b) 1.5 multiplied by the Average Monthly Installed Sales for all Mature Franchises multiplied by 0.5%. The "**Average Monthly Installed Sales**" in any calendar year shall be equal to the total Installed Sales of all Mature Franchises in the prior calendar year divided by the total number of Mature Franchises divided by 12. A "**Mature Franchise**" is a Franchised Business that has been operated by a franchisee for at least 36 consecutive months as of the last day of the calendar year being measured. For the avoidance of doubt, the above calculation was for the fee known as the Brand Fund Fee under the SAR.
>
> You will pay us a weekly fee in an amount equal to the lesser of (A) (i) the greater of Protected Territory population (using the population data provided by the Company's population data supplier as of the start of the applicable year) multiplied by the Minimum Installed Sales requirement for the market size multiplied by 1.5% or (ii) 1.5% of the previous months' Installed Sales or (B) (w) the aggregate actual Installed Sales for all Mature Franchises in your Territory Category divided by the total population for all Mature Franchises in a Franchisee's Territory Category (x) multiplied by 2.0 (y) multiplied by the Protected Territory population (z) multiplied by 1.5%. For purposes of the previous sentence, your Protected Territory will be categorized based on the number of people in the Protected Territory at the start of each Quota Period as a small territory with 999,999 or fewer people, medium territory with 1,000,000 to 2,499,999 people, or large territory with 2,500,000 or more people (each a "**Territory Category**") and compared against other franchisees with territories that fit within the population range of such Territory Category. For the avoidance of doubt, the above calculation was for the fee known as the Media Fund Fee under the SAR.

In addition, the Section entitled "Advertising Contribution" contained in Exhibit A-1 of the Renewal Franchise Agreement is deleted is deleted and replaced with the above table from the amended Section 10.2.

26. Minimum Local Advertising Requirement. The Section entitled "Minimum Local Advertising Requirement" contained in Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

| Year* | Minimum Local Advertising Requirement |
|---|---|
| 1 | Greater of $0.15 per Person or 10% of Prior Calendar Quarter's Gross Sales |

| | |
|---|---|
| 2 and beyond | Greater of $0.15 per Person or 10% of Prior Calendar Quarter's Gross Sales |

27. Minimum Annual Gross Sales Requirement. The Section entitled "Minimum Annual Gross Sales Requirement" contained in Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

| **Year*** | **Minimum Annual Gross Sales** |
|---|---|
| 1* | $1.50 per Person* |
| 2 & Beyond | $1.50 per Person |

28. Minimum Advertising Contribution. The table in the Section entitled "Minimum Advertising Contribution" contained in Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

| **Year*** | **Minimum Advertising Contribution** |
|---|---|
| 1 | $400 per week |
| 2 and beyond | $400 per week |

29. Year Definition. The last paragraph of Exhibit A-1 of the Renewal Franchise Agreement shall be deleted in its entirety and shall have no force or effect and the following shall be substituted in lieu thereof:

> As used in the tables above, "**Person**" means an individual in the Protected Territory Population, as determined by us in our sole discretion. "**Year**" refers to our fiscal year, which is currently the same as the calendar year. The start of "Year 1" will commence on the Effective Date of your Franchise Agreement and at the end of that calendar year.

30. Release. You, on behalf of yourself, and each of your past, present, and future partners, directors, officers, members, shareholders, employees, agents, representatives, insurers, successors, assigns, trustees, parent and your affiliated entities, divisions, subsidiaries, related companies, predecessors, successors-in-interest, spouses, heirs, descendants, administrators, executors, beneficiaries, and trustees ("**Releasors**"), hereby release, remise and forever discharge us and each of our past, present, and future, partners, directors, officers, members, shareholders, employees, agents, representatives, franchisees, attorneys, insurers, successors, assigns, heirs, descendants, administrators, executors, beneficiaries, trustees, parent and our affiliated entities, divisions, subsidiaries, related companies, predecessors,

successors-in-interest, spouses, heirs, descendants, administrators, executors, beneficiaries, and trustees ("**Releasees**") both personally and in their capacity as such, of and from all demands, complaints, cross-complaints, claims, actions, causes of action, controversies, suits, appeals, accounts, covenants, promises, contracts, agreements, costs, fees, damages, debts, liens, payments, obligations, debts, judgments, losses, expenses, and liabilities whatsoever (whether known or unknown), both in law and in equity, that you or any other Releasor ever had, may have had, or now has, arising out of or related to: (1) the SAR (including any prior franchise agreements between the parties, and addendums or amendments thereto), (2) the Franchised Business, and (3) any franchise relationship between us and you, except for: (i) the rights and obligations that we may owe to you under the Renewal Franchise Agreement.

31. Definitions. Any capitalized terms used which are not defined herein this Addendum shall use the definitions attributed to such capitalized terms in the Renewal Franchise Agreement.

32. Miscellaneous. All other provisions of the Renewal Franchise Agreement are hereby verified and confirmed. Except as expressly provided in the Renewal Franchise Agreement and this Addendum, the provisions of the SAR, and any rights and obligations thereunder, shall terminate as of the Effective Date, and the relationship between you and us related to the operation of the Re-Bath Business will be governed solely by the Renewal Franchise Agreement, this Addendum, and other ancillary documents executed in connection with the Renewal Franchise Agreement. Notwithstanding the foregoing, you must fully comply with any and all obligations that arose out of the SAR prior to the Effective Date, including but not limited to paying all fees and amounts due thereunder. The execution of the Renewal Franchise Agreement and this Addendum does not constitute a waiver of liability or obligation related to any unperformed obligations under the SAR, whether accrued or contingent and whether known or unknown.

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties hereto have duly signed and delivered this Addendum in duplicate on the day and year first above written.

| | |
|---|---|
| ReBath, LLC | [FRANCHISEE ENTITY] |
| Franchisor | Franchisee |
| By: | By: |
| Name: | Name: |
| Title: | Title: |

## State Effective Dates

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

| STATE | EFFECTIVE DATE |
|---|---|
| California | Pending |
| Hawaii | Pending |
| Illinois | Pending |
| Indiana | Pending |
| Maryland | Pending |
| Michigan | August 6, 2025 |
| Minnesota | Pending |
| New York | Pending |
| North Dakota | Pending |
| Rhode Island | Pending |
| South Dakota | Pending |
| Virginia | Pending |
| Washington | Pending |
| Wisconsin | Pending |

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

## RECEIPT

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

If ReBath, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, it or one of its affiliates in connection with the proposed franchise sale or grant.

New York requires that ReBath, LLC provide you with this Disclosure Document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make payment to, it or one of its affiliates in connection with the proposed sale. Michigan requires that ReBath, LLC provide you with this Disclosure Document 10 business days before you sign a binding agreement with, or make payment to, it or one of its affiliates in connection with the proposed sale. Iowa requires that ReBath, LLC provide you with this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make payment to, it or one of its affiliates in connection with the proposed sale.

If ReBath, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is as follows: ☐ Brad Hillier, ☐ Sharon Villegas, ☐ Chuck Berry, of ReBath, LLC, at 426 N. 44th Street, Suite 410, Phoenix, Arizona 85008. (800) 426-4573 and/or _____of _____ located at _____.

Its registered agents authorized to receive service of process are set forth on Exhibit A.

Issuance date: July 6, 2026

---

I, personally, and as a duly authorized officer of the prospective franchisee (if the franchisee is an Entity), hereby acknowledge receipt from ReBath, LLC of the Franchise Disclosure Document (to which this Receipt is attached) dated July 6, 2026.

This Disclosure Document included the following exhibits: Exhibit A – List of State Agencies/Agents for Service of Process; Exhibit B – Franchise Agreement; Exhibit C – Financial Statements; Exhibit D – Manual Table of Contents; Exhibit E – General Release; Exhibit F – List of Franchisees; Exhibit G – State Specific Addenda; Exhibit H –Financing Documents; Exhibit I – Sample Renewal Amendments.

_____
Signature (individually and as an officer)

_____
Print Name

_____
Date Disclosure Document Received

_____
Print Franchisee's Name (if an Entity)

**PLEASE SIGN THIS COPY OF THE RECEIPT AND RETAIN IT FOR YOUR RECORDS**

_____
Phone Number

## RECEIPT

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

If ReBath, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, it or one of its affiliates in connection with the proposed franchise sale or grant.

New York requires that ReBath, LLC provide you with this Disclosure Document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make payment to, it or one of its affiliates in connection with the proposed sale. Michigan requires that ReBath, LLC provide you with this Disclosure Document 10 business days before you sign a binding agreement with, or make payment to, it or one of its affiliates in connection with the proposed sale. Iowa requires that ReBath, LLC provide you with this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make payment to, it or one of its affiliates in connection with the proposed sale.

If ReBath, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is as follows: ☐ Brad Hillier, ☐ Sharon Villegas, ☐ Chuck Berry, of ReBath, LLC, at 426 N. 44th Street, Suite 410, Phoenix, Arizona 85008. (800) 426-4573 and/or _____of _____ located at _____.

Its registered agents authorized to receive service of process are set forth on Exhibit A.

Issuance date: July 6, 2026

---

I, personally, and as a duly authorized officer of the prospective franchisee (if the franchisee is an Entity), hereby acknowledge receipt from ReBath, LLC of the Franchise Disclosure Document (to which this Receipt is attached) dated July 6, 2026.

This Disclosure Document included the following exhibits: Exhibit A – List of State Agencies/Agents for Service of Process; Exhibit B – Franchise Agreement; Exhibit C – Financial Statements; Exhibit D – Manual Table of Contents; Exhibit E – General Release; Exhibit F – List of Franchisees; Exhibit G –State Specific Addenda; Exhibit H –Financing Documents; Exhibit I – Sample Renewal Amendments.

_____
Signature (individually and as an officer)

_____
Print Name

_____
Date Disclosure Document Received

_____
Print Franchisee's Name (if an Entity)

_____
Phone Number

**PLEASE SIGN THIS COPY OF THE RECEIPT AND RETURN IT TO:**

ReBath, LLC
426 N. 44th Street, Suite 410
Phoenix, Arizona 85008