FRANCHISE DISCLOSURE DOCUMENT

RestoPros Franchising, LLC.
A North Carolina Limited Liability Company
14301 South Lakes Drive, Suite E
Charlotte, NC 28273
704-604-0370
shannonroderick@restopros.co
www.restopros.co

As a franchisee, you will operate a business that provides restoration and remediation services to residential and commercial properties that have been damaged by water, fire, smoke or mold.

The total investment necessary to begin operation of a RestoPros franchise with one territory is $143,600 to $272,000. This includes $73,500 that must be paid to us or our affiliate. The total investment necessary to begin operation of a RestoPros franchise with 2 to 5 territories is $183,600 to $402,000. This includes $113,500 to $203,500 that must be paid to us or our affiliate.

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 Shannon Roderick at 14301 South Lakes Drive, Suite E, Charlotte, NC 28273, 704-604-0370.

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

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

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

ISSUANCE DATE: April 30, 2024

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 franchises. You can find their names and contact information in Item 20 or Exhibit C.
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 B 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 RestoPros 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 RestoPros franchisee?	Item 20 or Exhibit C 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 D.

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

Special Risks to Consider About *This* Franchise

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

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

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.

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THE INFORMATION AND NOTICES APPEARING ON THE FOLLOWING TWO PAGES APPLY ONLY TO FRANCHISES TO BE LOCATED IN THE STATE OF MICHIGAN AND ARE REQUIRED BY MICHIGAN LAW

IF YOU ARE NOT LOCATED IN MICHIGAN, THE FOLLOWING TWO PAGES OF INFORMATION DO NOT APPLY TO YOU

NOTICE FOR PROSPECTIVE FRANCHISEES WHO LIVE IN MICHIGAN OR WHOSE FRANCHISES WILL OPERATE IN MICHIGAN

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

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

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection 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 sub-franchisor.

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

Franchise Disclosure Document
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ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, the words "**we**," "**our**" and "**us**", and "RestoPros" refer to RestoPros Franchising, LLC, the franchisor. "**You**" means the entity or individual(s) that has been granted the right to develop a RestoPros business.

The Franchisor; Parents and Predecessors

We are a limited liability company established under North Carolina law on June 16, 2017. Our principal business address is 14301 South Lakes Drive, Suite E, Charlotte, NC 28273. We conduct business under our corporate name, RestoPros Franchising, LLC. We have offered franchises since September 2019. We have no parents or predecessors.

Other than as stated above, we are not in any other business, we have not conducted business in any other line of business, and we have not offered or sold franchises in any other line of business.

Our Affiliates

Our affiliate, RestoPros, LLC, is a South Carolina limited liability company established on June 16, 2017. RestoPros's, LLC has operated a RestoPros business similar to the business offered in this Disclosure Document in Rock Hill, South Carolina and Charlotte, North Carolina since June 16, 2017. It has the same principal business address as us.

Our affiliate, RestoPros Of Charleston, LLC, is a South Carolina established on July 1, 2023. RestoPros Of Charleston, LLC has operated a RestoPros business similar to the business offered in this Disclosure Document in Charleston, South Carolina since July 1, 2023. Its address is 7587 Sandlapper Pkwy Unit 100, North Charleston, SC 29420.

Our affiliate Scoop Brothers Franchising, LLC is a South Carolina limited liability company formed on March 8, 2023. Its principal place of business is 14301 South Lakes Drive, Charlotte, NC 28273. This affiliate offers franchises that market and provide pet waste removal services for residential and commercial properties. This affiliate has offered franchises since April 2024. As of the date of this disclosure document, Scoop Brothers Franchising, LLC has no franchises.

Our affiliates do not offer franchises in any line of business or provide products or services to our franchisees.

Our Agent for Service of Process

Our agent for service of process is disclosed at the end of this Disclosure Document in Exhibit D.

Our Business Operations

We offer and grant qualified candidates the right to develop and operate businesses using our uniform and proprietary operating system and identified by the RestoPros trade name and service mark, and other trade names, service marks, trademarks, logos and commercial symbols that we may designate from time to time. We do not operate businesses of the type being franchised, but our affiliate does.

General Description of the Franchise

RestoPros provides residential and commercial restoration and remediation to properties that have been damaged by water, fire, smoke, and mold. You will provide services to private residences and commercial properties but will be primarily paid by insurance companies. You will receive referrals from insurance agents, plumbing companies, HVAC companies, and the like.

RestoPros Franchisees conduct business under our trade name and also use other related Marks and our standards, methods, procedures, and specifications (our "System"). You will operate the Franchised Business from a home office or a light commercial office/warehouse with sufficient storage facilities. Sales are not seasonal.

Single Unit Offering

You will develop and operate one or more franchised businesses that provides our approved services and products within your designated territory with the right to use our marks and our System, including operational guidelines, opening guidelines, our specifications for business design and proprietary information, our initial and ongoing training programs and marketing and promotional assistance. Our standards, guidelines, and specifications are outlined in our confidential manual (the "**Manual**") and otherwise in writing from time to time. The franchise described is known as "RestoPros"®. RestoPros involves the operation of a business that provides repairs and restorations to residential and commercial properties that have been damaged by water, fire, smoke or mold.

You may enter into a Franchise Agreement that lays out your rights and obligations in the operation of each franchised business (the "**Franchise Agreement**"). A copy of our current Franchise Agreement is attached as Exhibit A.

Multiple Territory Offering

We also offer, to qualified franchisees, the opportunity to develop multiple Territories under the same franchised business. To be eligible to develop multiple Territories, you must agree to open between a minimum of 2 Territories and a maximum of 5 Territories.

Competition

This market is highly developed and competitive. You will compete against other businesses that offer similar services, including franchised operations, national chains, and independently owned businesses.

Regulations

There are state and local laws, regulations and ordinances applicable to the operation and management of a RestoPros business. You should consider these and other applicable laws and regulations when evaluating your purchase of a franchise. You will be required to obtain a certification from the Institute of Inspection Cleaning and Restorations Certification (IICRC) in order to operate your RestoPros business. Additionally, depending on your local and state requirements, you may need to obtain other certifications and be a licensed contractor or

engineer. If you are authorized to provide construction and reconstruction services, you may need to obtain additional permits and licenses and you may need to obtain additional insurance and bonding. You must investigate and comply with all applicable federal, state, county and city laws and regulations.

ITEM 2. BUSINESS EXPERIENCE

Chief Executive Officer: Alex Blair
Alex Blair has served as our Chief Executive Officer since our inception in June 2017. Mr. Blair is the owner and founder of RestoPro's, LLC, of Rock Hill, South Carolina, and has served in that capacity since January 2018.

President: Shannon Roderick
Shannon Roderick has served as our President since August 2022 in Charlotte, North Carolina. From May 2022 to August 2022 she was our Vice President of Brand Development located in Charlotte, North Carolina. From August 2008 to May 2022 she was Vice President of Operations for the Basswood Group, LLC located in Huntersville, North Carolina.

Vice President: Erin Farrell
Erin Farrell has served as our Vice President since August 2022. She was Vice President of Operations from August 2019 to August 2022. She has also served as the Operations Manager of our affiliate, RestoPro's, LLC, in Rock Hill, South Carolina, since January 2018.

Vice President of Training: James Pratt
James Pratt has served as our Vice President of Training since February 2020. He has also served as Mitigation Manager for our affiliate, RestoPro's, LLC, in Pineville, North Carolina since January 2018.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcies are required to be disclosed in this Item

ITEM 5. INITIAL FEES

Initial Franchise Fee

You must pay us an Initial Franchise Fee that is determined by the size of your Territory (the "**Franchise Fee**"). The Franchise Fee is $60,000 for a Territory with a population of 250,000 or less plus $0.15 per person over 250,000. You may purchase additional Territories based on the table below. The Initial Franchise Fee is uniform, fully earned when paid and is not refundable under any circumstances.

Number of Territories	Total Population	Initial Franchise Fee	Cumulative Franchise Fee
1	250,000	$60,000	$60,000
2	500,000	$40,000	$100,000
3	750,000	$30,000	$130,000
4	1,000,000	$30,000	$160,000
5	1,250,000	$30,000	$190,000

Initial Training Fee

You must pay us an Initial Training Fee in the amount of $5,000 for up to two people to attend our initial training program. You must pay for any and all of your expenses related to attending this training, including travel, accommodations, meals, and any salary or wage expenses for you or your staff that attends. The Initial Training Fee is uniform, fully earned when paid and is non-refundable under any circumstances.

Market Setup Fee

When you sign your Franchise Agreement, you will pay us $8,500 for the setup of numerous accounts, profiles, sites, listings, and related items for your franchise. The Market Setup Fee is uniform, fully earned when paid and is non-refundable under any circumstances.

[Remainder of page left blank intentionally]

ITEM 6. OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty	7% of your Gross Sales[2] There is a $2,400 monthly minimum Royalty commencing on the 13th month after you sign the Franchise Agreement.	First Monday of each month for the previous month.	Remitted monthly by ACH draft.[3]
Corporate Marketing Fund	Up to 3% of Gross Sales Currently, 1% of your Gross Sales[2]	First Monday of each month for the previous month.	Remitted by ACH draft.[3] More information about national marketing fund is contained in Item 11.
Technology Fee	$375 per month	First Monday of each month for the current month.	Remitted by by ACH draft.[3] This fee relates to your access to and use of certain technology, platforms, systems, and software specifically designated by us such as CRM, estimating software, website hosting, email accounts, and ongoing technical support. It does not relate to other mandated software and their related subscriptions such as Restoration Manager, Xactimate, or QuickBooks software subscriptions.
Additional Training[4]	Our then-current fee, currently $150 per day, plus expenses	As incurred.	More information about training is contained in Item 11.
Annual Conference	Then-current fee; Currently $500 per attendee.	On Demand, prior to conference.	You must pay all travel, accommodations, meals, and salary or wage costs for you and your attendees. Penalty for not attending is $500 per day.
Marketing Cooperative Contribution[5]	None currently; up to 3% of Gross Sales when established	As incurred	You must participate in a local or regional advertising cooperative when established. See Note 5.
Franchise Transfer Fee[6]	$5,000 plus any third-party broker fees	Prior to transfer	More information about transferring your franchise is contained in Item 17.

Late fees and interest charges on late payments	10% of the amount due	On demand.	Applies to any and all past due payments to Franchisor.
Insufficient Funds	5% or $50 whichever is greater or maximum fee allowed by law.	On demand	Payable for each fee, transaction, or draft that is not paid to us because of insufficient funds. Applies to any and all payments due to Franchisor.
Audit fee[7]	Understated amounts, plus interest, plus amount of audit fees and related expenses	Within 15 days after receiving the examination report	Due if you fail to furnish and reports we require or understate your Gross Sales by more than 3%.
Interest	Lower of 1.5% per month or the highest commercial interest rate allowed by law	As incurred	Due on all overdue amounts and accruing as of the original due date.
Indemnification[8]	Will vary under circumstances	As incurred	
Renewal Fee[9]	$2,500	15 days prior to expiration of initial term	More information about renewing your franchise is contained in Item 17.

1. Except as otherwise noted, all amounts are nonrefundable and are uniformly imposed by and payable to us.

2. "Gross Sales" means all revenue that you receive, directly or indirectly, from operating your Business, including all amounts or other consideration you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions. Gross Sales includes the proceeds of any business interruption insurance or similar insurance. Gross Sales will also include amounts you earn from the sale of any online group-bought deals and the sale of any gift cards or gift certificates, in each case calculated using our then current guidelines, which may be based on the redeemed value or sale price of the deals, cards or certificates. Gross Sales does not, however, include any federal, state, or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority. We will require that you provide your profit and loss statements to us on a monthly basis for our review in a manner that we prescribe.

3. Unless otherwise restricted by applicable banking laws and regulations, we will establish a direct debit program with your bank to allow for the ACH draft of the monthly royalty, Corporate Marketing Fund contributions, and Technology Fees. You will be required to execute any necessary documents authorizing the ACH draft. We will automatically debit your bank account each Monday morning for the previous month's royalties and national marketing contributions. For all fees to be remitted on a national holiday, fees will be due the following business day.

4. You will pay us an additional training fee (1) if we determine that you (or your Designated Manager) need training or assistance in addition to what is provided as part of the Training Program, (2) you request additional training or assistance for any person other than as

provided as part of the Training Program, and/or (3) we require additional training if you fail to perform services at your Business to our satisfaction.

5. Each franchisee in the cooperative will have one vote. The actual amount you must contribute to the cooperative will be determined by vote of the members. Our own outlets that are part of a cooperative must contribute on the same basis as franchisees and will vote on the same basis as other members. If our outlets have controlling voting power, there is no minimum fee amount and the maximum fees that could be imposed are 3% of Gross Sales.

6. All transfers must be in accordance with the terms and conditions of the Franchise Agreement and are subject to our prior approval.

7. We may audit your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Sales for any reported period or periods by more than 3 percent or unless you fail to deliver any required report of Gross Sales or any required financial statement in a timely manner. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees, Corporate Marketing Fund Fees, Technology Fees, and any other past-due amounts plus late payment charges that the audit determines are owed. These payments will not prejudice any other remedies we may have under the Franchise Agreement or by law.

8. You must indemnify us from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement that arises out of or is based upon any of the items listed in the sections of the Franchise Agreement entitled "Indemnification." You must also pay for our legal expenses (fees and actual costs) incurred in any matter related to your franchised business and for any damages, costs, and expenses that we incur enforcing any of the provisions of the Franchise Agreement or as a result of your failure to pay amounts when due.

9. You will be required to pay a nonrefundable renewal fee upon the expiration of the initial term of the Franchise Agreement if you are eligible and elect to renew the Franchise Agreement.

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ITEM 7. ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement (Single Territory)

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure[1]	Amount	Method of Payment[1]	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$60,000	Lump Sum or financing	Upon execution of Franchise Agreement	Us
Initial Training Fee[2]	$5,000	Lump Sum	As arranged prior to training	Us
Training (Travel and Lodging)[2]	$1,000 - $2,000	As arranged	As incurred; prior to training	Vendors
Real Estate/Rent[3]	$1,000 - $8,000	Monthly	Lease signing	Landlord
Utilities[4]	$0 - $1,000	As arranged	As incurred	Vendors
Market Setup Fee	$8,500	Lump Sum	As arranged as part of onboarding	Us
Referral Marketing (3 Months)[5]	$3,000 - $9,000	As arranged	As incurred	Vendors
Equipment	$25,000 - $35,000	As arranged	As incurred	Vendors
Computer Systems	$6,000 - $8,000	As arranged	Prior to commencing operations	Vendors
Insurance [6]	$3,500 - $5,500	As arranged	As incurred	Vendors
Vehicle[7]	$3,900 - $75,000	As arranged	Varies	Vendors
Licenses & Permits[8]	$500 - $2,000	As arranged	Prior to commencing operations	Government Entities
Professional Fees	$1,200 - $3,000	As incurred	As incurred	Vendors
Additional Funds (3 months)[9]	$25,000 - $50,000	As incurred	As incurred	
TOTAL[10]	$143,600 - $272,000			

B. Multiple Territories

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure[1]	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Cumulative Franchise Fee	$100,000 - $190,000 2 Territories – 5 Territories	Lump Sum	Upon execution of Franchise Agreement	Us
Initial Investment to	$83,600 – $212,000	See Table A of this Item 7.		

Type of Expenditure[1]	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Open Initial Location Less Initial Franchise Fee[11]				
TOTALS	$183,600 - $402,000 2 Territories – 5 Territories			

Explanatory Notes:

1. Except as otherwise provided, none of the amounts payable to us or our affiliates in either table are refundable under any circumstances. All amounts payable to third parties will be paid pursuant to the terms of your agreement with those respective third parties.
2. The initial training fee is payable to us as arranged prior to training. Additional training cost estimates include expenses for travel, boarding, meals, salaries, and other miscellaneous out-of-pocket expenses associated with training for two individuals. More information regarding initial training can be found in Item 11 of this Disclosure Document.
3. We recommend that you commence operations from a home office and storage unit. We do not recommend that you consider to obtain a commercial or physical office/light warehouse combination location with storage space for your franchised business until you have reach $1,000,000 in Gross Sales. When this benchmark is reached, you will need to obtain a physical location with both an office and a warehouse. The warehouse will be used for storage for your vehicles and tools. If you do obtain a physical office location or facility, we estimate that you will spend up to $2,000 in leasehold improvements and up to $3,500 in signage related to the office location.
4. Most utilities, such as local water, sewer, gas, electric and telephone companies, require deposits prior to initial services. Since you are not required to initially have a physical location for your franchised business, the low range of this estimate is $0.
5. This includes payments that must be made to certain vendor networks and is not expected to be an ongoing expense.
6. You must obtain and maintain on a primary and non-contributory basis at least a commercial general liability policy, commercial automobile liability policy, commercial property liability policy, workers' compensation/employer's liability policy, umbrella liability policy, employment practices liability policy, and cyber and privacy policy. Some insurance policies require annual or front-loaded premium payments and some policies may allow you to choose to make payments monthly, quarterly, or annually. See Item 8 for more information regarding your insurance requirements.
7. This estimate is for a brand-new vehicle. You have the option to purchase your vehicle from our designated vendor and to have it wrapped by a vendor we approve of. If you finance the purchase of the vehicle, we estimate that your monthly payments will be between $1,300 and $1,400, which is reflected in the low end of this estimate for three months. If you purchase the vehicle directly from our suggested vendors, we estimate that you will pay the total price of $75,000, which is reflected in the high end of this estimate.
8. This amount reflects the estimated fees you will pay to apply for various permits and licenses, such as building permits, sales tax permits, incorporation fees, fire inspection fees and

health department inspection fees. The application and fees required will depend upon the regulations of the governing agencies in your area.

9. This is an estimate of anticipated working capital that will be required during the first 3 months of operating your franchised business. This is only an estimate and we cannot assure you that you will not incur additional expenses during the period. Our estimates do not include salary or compensation to you as the owner and operator of your franchised business and, accordingly you must account for personal funds that you will require. We have relied on the experience of our affiliate owned locations and the experience of our franchisees in making this estimate.

10. This range does not include the initial franchise fee as that is provided for in the Cumulative Franchise Fee row in Table B.

11. Neither we nor our affiliates offer any financing for the initial investment.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and Source

Our franchisees are required to purchase commercial insurance, auto insurance, general insurance, and workers compensation insurance from NFP Property & Casualty Services Inc. Secondly, our franchisees are required to purchase cloud-based customer relationship management software from Restoration Manager. Thirdly, our franchisees are required to purchase property claims estimation software from Xactimate. Lastly, our franchisees are required to purchase accounting software from QuickBooks. Neither we nor any affiliate are currently approved suppliers. No officer of the franchisor owns an interest in any approved supplier.

The estimated proportion of the required purchases, purchases from approved suppliers and purchases in accordance with our specifications to all purchases in establishing the business is 50% to 90% and in the operation of the franchised business is 10% to 25%. We currently provide material benefits to franchisees based on use of designated or approved sources including the right to renew your franchise rights and to obtain additional franchises.

Purchases by Specification

To ensure that our standards and specifications of quality and service are maintained, and that, at all times, your franchised business maintains a uniform and professional appearance, you must operate your franchised business in strict conformity with the methods, standards, specifications and sources of supply that we designate and prescribe in our Manual. This requirement applies to equipment, supplies, signage, uniforms, the interior décor, advertising and marketing materials and services, inventory and other items.

Specifications may include minimum standards for quality, quantity, delivery, performance, design, appearance, durability, style, warranties, price range and other related specifications. We consider these specifications to be of critical importance to the success of the system. The Manual sets forth these specifications and we will make available to you a list of approved

suppliers. We reserve the right to change the standards and specifications from time to time on written notice to you or as may be specified by the Manual.

Product Approval Process

If you want to purchase or lease any supplies, materials, tools, products or services not previously approved in writing by us as acceptable or from a supplier not approved by us, you can request our approval in writing, at your sole expense. You may need to submit, among other things, sufficient samples, specifications, photographs, drawings and other related information in order for us to determine whether the items meet our specifications and certain information about this proposed supplier. We may charge you or the supplier a fee to reimburse our costs to test its product for approval.

When considering and evaluating the approval of a particular supplier, among other things, we make available to franchisees the criteria for approving suppliers which typically includes the following general criteria: ability to produce the products, services, supplies or equipment to meet both our standards and specifications for quality and uniformity and the customers' expectations; production and delivery capabilities and ability to meet supply commitments; financial stability; and the negotiation of a mutually satisfactory approved vendor or supplier agreement, copyright assignment and confidentiality agreement in a form satisfactory to us.

We will advise you within 30 days whether the proposed items and supplier(s) meet our specifications, and our approval will not be unreasonably withheld. The approval time may vary if we determine, in our independent judgment, that additional testing is needed. We will notify you in writing of our approval or disapproval and of revocation of approved suppliers. Suppliers must maintain our standards in accordance with written specifications and any modifications. If a supplier deviates from our specifications, we may terminate the supplier's status as an approved supplier.

Revenue Received from Purchases or Leases

In 2023, we received approximately $75,000 in revenue from rebates or from franchisee purchases which was 3.4% of our total revenues of $2,218,114. This revenue was generated in the form of vendor sponsorships for our annual conference. None of our affiliates received any revenue from franchisees' required purchases or leases.

Vendor Purchase Arrangements

We do not currently negotiate purchase arrangements with manufacturers and suppliers (including pricing terms) for our franchisees' benefit. We do not currently have any formal purchasing or distribution cooperatives related to our franchise system.

Warranty and Customer Service Requirements

You must adhere to the Warranty and Customer Service Requirements in the Manual. You will be required to provide a lifetime warranty to customers on any water damage repairs or remediation that you perform in the operation of your business.

You must meet and maintain a minimum customer service satisfaction. The Manual will provide the method of surveying customers and the required level of satisfaction.

Insurance

You will be required to procure and maintain insurance in the amounts we prescribe. You agree to provide us with proof of coverage on demand. You are required to obtain the following insurance policies with the applicable base limits prior to opening your franchised business:

- General Liability/Professional Liability/Pollution Liability Coverages - $1,000,000 per occurrence and $2,000,000 aggregate for each line of coverage;
- Worker's Compensation Coverage - $1,000,000 employers liability limit;
- Commercial Auto Coverage - $1,000,000 combined single limit of auto liability;
- Umbrella or Excess Liability Coverage - $1,000,000 liability limit;
- Property and Inland Marine Coverage – limits sufficient to value of the property; and
- Bailee's Coverage (also known as "Property of Others") – limits sufficient to cover client's property you may take into your possession.

These coverages and limits are subject to change as your business grows and develops. You will be required to keep up to date on all insurance policies as outlines in our Operations Manual.

All insurance policies, except your workers compensation and commercial property liability policies, must contain, or be endorsed to contain, a provision naming us and our related entities as an additional insured. Specifically, with respect to liability arising from your premises, operations, products, and completed operations, the general liability policy should include an additional insured – grantor of franchise endorsement. As mentioned above, your commercial, auto, general, and worker's compensation insurance policies are required to be purchased from NFP Property & Casualty Services, Inc.

All required insurance policies, except for your Worker'' Compensation policy, must be written by insurance companies with a rating of A-VIII (eight) or better in the most recent A.M. Bes''s Insurance Report (or other comparable publication we specify). Worker'' Compensation policies can be issued by insurance companies with a policyholder rating of B plus (B+) or better. Insurance coverage requirements are more specifically set forth in the Manual and are subject to change from time to time. We may require that you obtain all or a portion of your insurance policies from a supplier designated by us.

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ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists Your principal obligations under the Franchise Agreement and other agreements. It will help You find more detailed information about Your obligations in these agreements and in other items of this Disclosure Document.

FRANCHISEE'S OBLIGATIONS

Obligation	Section in Franchise Agreement ("FA")	Disclosure Document Item
a. Site selection and acquisition/lease	FA: §8.1	Items 6 and 11
b. Pre-opening purchases/leases	FA: §10.21	Item 8
c. Site development and other pre-opening requirements	FA: §§ 8, 10.1, 10.5	Items 6, 7, 11
d. Initial and ongoing training	FA: §§ 9.2, 9.3, 9.4, 9.5, 9.8	Item 11
e. Opening	FA: §§ 8.2, 8.3	Item 11
f. Fees	FA: §§ 5, 6, 7.1	Items 5, 6 and 11
g. Compliance with standards and policies/operating manual	FA: §§ 10, 10.3, 10.9, 10.17	Item 11
h. Trademarks and proprietary information	FA: §§ 2.2, 4, 9.7	Items 13 and 14
i. Restrictions on products/services offered	FA: §10.21,	Item 16
j. Warranty and customer service requirements	FA: §§ 10.2, 10.3	Item 16
k. Territorial development and sales quotas	FA: §10.10	Item 12
l. Ongoing product/service purchases	FA: §01.21	Item 8
m. Maintenance, appearance and remodeling requirements	FA: §10.4	Item 11
n. Insurance	FA: §12	Items 6 and 8
o. Advertising	FA: §7	Items 6 and 11
p. Indemnification	FA: §§ 10.7, 12.2	Item 6
q. Owner's participation/management/staffing	FA: §10.14	Items 11 and 15
r. Records and reports	FA: §§ 8.1, 10.16, 11.2, 13.2	Item 6
s. Inspections and audits	FA: §§ 6.7, 10.18, 13, 16.10	Items 6 and 11

t. Transfer	FA: §14	Item 17
u. Renewal	FA: §3.2	Item 17
v. Post-termination obligations	FA: §16	Item 17
w. Non-competition covenants	FA: §17	Item 17
x. Dispute resolution	FA: §18	Item 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.

Franchisor's Pre-opening Obligations under the Franchise Agreement
Before you open your Franchised Business, we will:

1. Provide you with recommendations and suggestions for hiring employees, operational instructions which you can use as part of training new employees. All hiring decisions and conditions of employment are your sole responsibility and we have no direct or indirect authority to control any of the essential terms and conditions of your employees. (Franchise Agreement, Section 9.2)
2. Provide you access to the confidential Manual. The Manual currently consists of 250 pages and may be amended from time to time. The Manual is confidential and remains our property because it is our intellectual property. We may modify the Manual from time to time, but these modifications will not alter your status and rights and obligations under the Franchise or Development Agreements. The table of contents for the Manual are attached as Exhibit F to this Disclosure Document. (Franchise Agreement, Section 9.7)
3. Provide you with written specifications for the operation and management of the business, primarily through the Manual, including lists of approved/required items of equipment and inventory and designated or approved suppliers of such items. We do not provide, deliver or install such items. We do not have any obligation to assist you in establishing prices; but, to the extent permitted by relevant law, we may set maximum or minimum prices for services or products that you offer and sell. Except as so specified by us or as otherwise required in the Franchise Agreement and in the Operations Manual, you may determine the prices at which you sell products and services, as well as the terms and conditions of sale. (Franchise Agreement, Section 9.7)
4. Within 2 weeks or as it is available after you sign the Franchise Agreement, provide an initial training program, which must be successfully completed all owners of the franchise. More details about initial training appear later in this Item 11. You are solely responsible for your travel and lodging expenses for training. (Franchise Agreement, Section 9.3)

Time to Opening

The typical length of time between the signing of a Franchise Agreement and the opening of the Franchised Business is 60 to 90 days. This time estimate may vary depending on the timing of the confirmation of your site, the extent of lease negotiations, any delays in obtaining governmental approvals and other factors affecting the completion of construction, completing training, and obtaining insurance among other things.

You will not open your Franchised Business before (1) successful completion of the initial training program and all other required training, (2) purchasing all required insurance and providing us, at our option, proof of coverage, (3) obtaining all required licenses, certifications, permits and other governmental approvals. Failure to open within 90 days from the signing of the Franchise Agreement is cause for termination of the Franchise Agreement.

Franchisor's obligations during Your Operation of the Franchise

During the operation of your Franchised Business, we may, but will not be obligated to:

1. Provide you with information on new developments, techniques and improvements related to the system and to operations. (Franchise Agreement, Section 9.8)
2. Provide you with recommendations and suggestions for hiring employees, operational instructions which you can use as part of training new employees. All hiring decisions and conditions of employment are your sole responsibility. (Franchise Agreement, Section 9.2)
3. Offer certain additional training programs that we may require you to attend. (Franchise Agreement, Section 9.4)
4. Advise you of operating problems from your reports or our inspections. (Franchise Agreement, Section 9.8)
5. Host an annual convention. (Franchise Agreement, Section 9.5)

Site Selection

We recommend that you commence operations from a home office and storage unit. We do not recommend that you consider to obtain a physical commercial office/light warehouse location with storage space for your RestoPros business until you have reached $1,000,000 in sales. If you choose to run your business from a physical location, you will be solely responsible for choosing your site. We do not provide assistance in locating or approval of your site. (Franchise Agreement- Section 7.1)

Advertising

Corporate Marketing Fund

We have established a Corporate Marketing Fund that we will control and administer. Each month, you will pay us a nonrefundable Corporate Marketing Fund contribution of 1% of your Gross Sales, due at the same time and in the same manner as Royalty payments. We reserve the right, upon 30 days' written notice to you and our other franchisees, to increase this required

contribution to up to 3% of your Gross Sales. (Franchise Agreement–- Section 7.2). Other franchisees contribute at the same rate.

We may use the funds contributed to the Corporate Marketing Fund, in our sole discretion, for market studies, technology development, advertising and public relations, product and service development, to produce materials, prepare miscellaneous artwork, conduct print, radio and/or television advertising, implement customer service programs or conduct consumer research on a national or regional level, employ an in-house or outside national or regional advertising agency and funding any other direct or indirect marketing activity, including funding or operating a charitable foundation or other charitable entities or activities, and administrative costs, which may include reimbursement for direct administrative and personnel costs associated with advertising and public relations, and any other costs associated with the development, marketing and public relations materials, and for the purchase of media placement, advertising time and public relations materials in national, regional or other advertising and public relations media in a manner determined by us, in our sole discretion, to be in the best interest of the franchisees and the System. We do not use and do not intend or anticipate that the Corporate Marketing Fund will be used for advertising that is principally a solicitation for franchisees. We reserve the right to use the fund for public relations or recognition of our brand, for the creation and maintenance of a web site, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available."

Our company and affiliate owned locations do not and are not required to contribute to the fund on the same basis as franchisees. An unaudited statement of the operations of the national marketing fund will be prepared each year and, upon request, will be available to you. Any contributions not used during the current year will be carried over into the next year's budget.

During the previous fiscal year ending December 31, 2023, we collected $146,478 in Corporate Marketing Fund contributions but did not expend any amounts of the Corporate Marketing Fund and was carried forward to future years.

Local Advertising, Marketing and Promotional Expenditure

We are not required to spend any amount on advertising in your area or territory. You are not required to perform any local advertising. We may review your local marketing programs and notify you if we approve same. Further, we may make available to you and provide you with access to various monthly and seasonal print, direct mail and email marketing campaigns (in the form of a source document) that you may utilize. In those instances where we provide you with access to our marketing campaigns, we may provide you with the source designs and design specifications. However, you will incur the direct costs associated with utilizing such marketing campaigns and in having such campaigns printed, distributed and/or placed with media sources. Franchisees are permitted to produce or pay a third party to produce local advertising materials. Before these materials can be used, the Franchisee must submit all materials to Franchisor for approval. (Franchise Agreement – Paragraph 7.3).

Local Marketing Cooperatives

We have the right, in our discretion, to designate any geographic area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"). We may require all franchisees in the designated geographical area to participate as members in the Cooperative in the amount determined by a majority of the Cooperative's members vote. Any outlets that we or our affiliate owns will participate in and contribute to the Cooperative to the same extent as franchisees. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising. No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. All such plans and materials will be submitted to us for approval. The cooperative will be administered by us or the cooperative administrator that we designate. Contributions must be paid to the cooperative administrator we designate; we intend to that they will be administered upon the same terms and conditions as the Corporate Marketing Fund. The maximum fees that could be imposed are 3% of Gross Sales. We may grant to any franchisee, in our sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating reasons supporting such exemption. Our decision concerning such request for exemption will be final. There are no other written governing documents that govern any cooperative advertising program. (Franchise Agreement–- Paragraph 7.2).

Franchisee Advisory Council

We have a franchisee advisory council that advises us and provides recommendations on operational and system issues. It has no operational or decision-making power. We currently have 4 council members that are franchisees selected and appointed by us from different regions and cross sections of the system and one of our staff members appointed by us that meet approximately each quarter. We have the power to form, change, or dissolve the council.

Digital Marketing

You may not design, develop or host a website, or any web page, or use any domain name or email address containing the marks or regarding the franchised business other than as approved or required by us. We or our affiliates may establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), applications, keyword or Google AdWords purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, "**Digital Marketing**") that are intended to promote the Proprietary Marks, your franchised business, and the entire network of franchised businesses. We currently set up these Digital Marketing accounts for you, which is covered by the Market Setup Fee (see Items 5 and 7). However, we may have you directly engage with a designated supplier for this service. The Market Setup Fee also includes business cards, brochures, and Digital Marketing accounts, and related services. We may charge a small administrative fee to cover our expenses in providing these services. We will have the sole right to control all aspects of any Digital Marketing, including those

related to your franchised business. Unless we consent otherwise in writing, you may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to the franchised business. If we do permit you to conduct any Digital Marketing, you must (i) comply with any standards or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such standards or content requirements. We may withdraw our approval for any Digital Marketing at any time. Except as approved in advance in writing by us, you may not establish or maintain a separate website, splash page, profile or other presence on the Internet. If such approval is granted by us, you must: (i) establish and operate such Internet site in accordance with System standards and any other policies we designate in the Manual or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s). (Franchise Agreement–- Paragraph 10.9).

Promotional Campaigns

We may conduct promotional campaigns on a national or regional basis to promote products or marketing themes. You must participate in all promotional campaigns which we may establish for the region in which your Franchised Business is located. (Franchise Agreement, Section 7.1).

Computer Requirements

We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by you, including without limitation: (i) a customer relationship management and job tracking software and "back office" computer system that complies with our standards and specifications; (ii) the accounting software system; (iii) claims estimating software; (iii) all-in-one printer, scanner; and (iv) Internet access mode and speed (collectively, the "Computer System"). You will purchase, use and maintain any and all computer software programs ("Software") which we have developed or may develop and/or designate for use for the System, and will purchase such computer hardware as may be necessary for the efficient operation of the Software. Specifically, you must obtain any software program designated by us for use in the operation of your Franchised Business. You will strictly comply with our standards and specifications for all items associated with the Computer System and any Software. You are currently required to use only Windows operating computer systems and other smartphones and devices that are compatible with our systems and software. Your business manager must have access to mobile device and laptop with hi-speed internet connection. You agree, at your own expense, to keep your Computer System in good maintenance and repair and install such additions, changes, modifications, updates, upgrades. substitutions, and/or replacements to the Computer System or Software as we direct from time to time in writing. We estimate that the cost of obtaining the required Computer System will be between $6,000 and $8,000. We have no contractual obligation for maintenance, repairs, updates, or upgrades to the Computer System. You will be responsible for the maintenance of your Computer System. There are no contractual limitations on the frequency or cost of this obligation. We estimate that the costs of optional or required maintenance, updating, upgrading,

or support contracts related to the Computer System will not exceed $500 during any calendar year.

The Computer System will generate customer and financial data from your franchised business. All information generated by your Computer System is the property of the franchisor. We have the right to independently access the electronic information and data relating to your franchise, including the franchisee's accounting and bookkeeping files, and to collect and use your electronic information and data in any manner, including to promote the System and the sale of franchises. There are no contractual limits on our right to access this information. This may include posting financial information of each franchisee on an intranet website. We may access the electronic information and data from your Computer System remotely, in your business, or from other locations.

We reserve the right to specify and designate by brand, model, size, type and any other relevant standards or specifications the digital and other signs and displays which must be used or displayed in your Franchised Business, including the right to require that you purchase any relevant signs or displays from us or from our affiliates.

You may be required to enter into licenses and agreements with us or with designated or approved third party vendors for technical support, warranty service, or collateral software licenses.

Training

You and/or your Designated Manager must attend and successfully complete to our satisfaction the training program. The Initial Training Fee covers up to two trainees. You will be required to remit to us a fee of $150 per person for each additional trainee. You are also required to pay all travel and living expenses for your representatives while you and they attend the training program.

The initial training program will be conducted approximately two weeks after you sign the Franchise Agreement or at its first availability. We offer the training program on an as-needed basis. We expect that the initial training classes will take approximately one week and will be held at our headquarters or another location that we designate and will be based on the Manual. To reduce travel costs to the franchisee, we may also permit training to occur in other locations around the country. The initial training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Business Set-Up • Licensing • Certification • Office Set-Up • Equipment, Tools and Supplies	8	4	Our Location, Charlotte, NC or Your Location

• The Industry • The Customer Profile • The Insurance Overview			
Business Development • The Brand • Lead Generation	8	0	Our Location, Charlotte, NC or Your Location
Business Development • The Brand • Lead Generation • Market Discovery	10	0	Online virtual
• Building a Referral Base • Converting Interest Into Opportunities • Converting Opportunities Into Business • How to Compete Against Other Restoration Brands • Planning Out Your Market • Budget and Media Spending Target Referral Sources	8	8	Our Location, Charlotte, NC or Your Location
Operations and Management • Delivering the Work • Staffing • Payroll • Hiring and Firing • Culture Positions	4	4	Our Location, Charlotte, NC or Your Location
Billing • Working with Franchisor • Working with Insurance Providers • Documentation • Technology • Processes • Follow-Up Communications and Developing Relationships with the Right People	8	6	Our Location, Charlotte, NC or Your Location
Collections • Financial Planning • Bookkeeping Cash Flow Management	6	2	Our Location, Charlotte, NC or Your Location
Executing on the Franchise Model • Your Goals • Financial Modeling • Business Planning Using the Resources Available to You	8	4	Our Location, Charlotte, NC or Your Location
TOTAL	**60**	**28**	

Erin Farrell will be conducting training in office practices and procedures. Erin has experience working in the restoration business since 2016 and with us since as Vice President and Vice President of Operations since August 2019.

The instructional material for the training program may include PowerPoint presentations, virtual Business Development Management training, training manual, case studies, practice sheets, marketing materials, pamphlets on specific subjects, handouts, classroom exercises and hands on instruction and demonstration are utilized in the training program.

The training program must be successfully completed by all required attendees prior to opening the Franchised Business. Failure to successfully complete any phase of the training program could lead to the need to retrain on certain aspects of the training program at your expense or to a delay of your opening. The Franchised Business must be operated by you or an owner or manager who has successfully completed the initial training program and any additional training or certification programs that we require. Failure by you or your Designated Manager to complete the initial training program to our satisfaction is a material breach of the Franchise Agreement and provides us with grounds to terminate the Franchise Agreement.

We do not currently require additional training programs or refresher courses, but we have the right to do so in the future. We may require you or your Designated Manager to register for, and attend our annual conference and pay our then-current attendance fees. You or your Designated Manager must attend such conferences and any other mandatory training programs, and you are responsible for the reasonable costs of such programs and also for the travel, lodging and living expenses and any other costs incurred during these programs. You must complete this supplemental or additional training within one year of the time in which it is originally requested by us. If you fail to register for and attend our annual conference, you must still pay us the then-current attendance fee upon demand.

Vehicles

You must decorate, equip and acquire motor vehicles that meet our specifications and standards. You recognize that we may require you to periodically update the signage and decorations and other logos utilized on the vehicles from time to time. All branded vehicles must be approved before a purchase is made, to ensure brand standards are met.

You have the option to purchase a vehicle that has been equipped and wrapped directly from an approved vendor.

ITEM 12. TERRITORY

Territory

We will grant you certain limited protected rights to market and promote your Franchised Business within a specific area around your Franchised Business designated by us, in our sole discretion (the "**Territory**"). The size, configuration, and exact location and boundaries of the

Territory offered to you will depend upon your requests and our market analysis, market penetration plans, and franchise placement strategies. Your approval will also be considered in designating the Territory. Among the factors we consider to determine the feasibility of possible territory boundaries and locations include any combination of population and household demographics and income levels, the number of residential dwellings, and other businesses in the area according to census and chamber of commerce information, but we will make the final determination. The geographic boundaries of the Territory are typically set by natural and artificial boundaries and city, county, or state limits, or other descriptors, principally contiguous zip codes. The Territory will have a minimum population of 250,000 individuals. If you are permitted by us, you may obtain a contiguous territory with a larger population if you pay the additional Franchise Fee for each additional person over 250,000.

During the term of your Franchise Agreement, we will neither grant anyone else the right to, nor ourselves, to market or promote competitive services within your assigned Territory. In return, you must not market, sell, or promote services outside of your Territory including to use other channels of distribution, such as the Internet, telemarketing, or other direct marketing, to make sales outside the Territory without our prior written consent. We also have the right to offer and sell products and services identified by our Marks, other trademarks, or other franchise systems through other channels of distribution, including online sales and solicitation. We are not required to pay you any compensation for soliciting or accepting orders within your Territory relating to these sales.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You shall operate under an authorized business trade name approved by us, based on where your Territory is located (e.g. RestoPros of Charlotte).

We do not offer options, rights of first refusal or similar rights to acquire additional franchises.

Modification of Territorial Rights

You must be in good standing and receive our written permission before you relocate your franchise. Permission to relocate outside of your Territory will not be granted unless you encounter a situation personally or professionally that will not allow you to operate the franchise in the Territory. The relocated territory must be available according to our contractual commitments to other franchisees. Any relocation will be at your sole expense. You must satisfy our then current franchise placement and demographics criteria, as expressed in the Operations Manual.

We reserve the right to alter your territory during the term of your Franchise Agreement. Your territory protection is dependent on you achieving a certain number of jobs for a certain time period. Upon successfully completing our initial training and opening of your RestoPros Franchised Business, you must be engaged (signed) for the number of jobs below:

Minimum Number of Jobs	
Period of Time After Opening	Minimum Number of Jobs Engaged
30 days	2 Jobs
60 days	4 Jobs

90 days	6 Jobs

Failure to sign the minimum number of jobs above may result in modification of your territory(ies) in our sole discretion.

The franchise granted to you under the Franchise Agreement is limited to permitting the use of the system and marks in the operation of the Franchised Business only in the Territory and at the specific location confirmed in advance by us. You must operate the Franchised Business only in this approved territory and at the approved location.

Reservation of Rights under the Franchise Agreement and Development Agreement

Neither we nor our affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark and that sells or will sell goods or services similar to those that you will offer. We and our affiliates will have the right, in our sole discretion, under the Franchise Agreement and Development Agreement to: (i) own and operate businesses at any location(s) outside your Territory/Development Area under the same or different marks, or to license others the right to own and operate businesses at any location(s) outside your Territory/Development Area under the same or different marks; (ii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts or related items, or in alternative channels of distribution, including but not limited to sales via the Internet at any location, including within the Territory/Development Area; (iii) own and operate businesses, or market similar products and services, at any location(s) inside your Territory/Development Area under different marks, or to license others the right to own and operate businesses, or market similar products and services at any location(s) inside your Territory/Development Area under different marks; (iv) acquire, or be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere; and (v) engage and license other parties to engage in any other activities not expressly prohibited by the Franchise Agreement/Development Agreement.

The Franchise Agreement and Development Agreement do not grant you any options, rights of first refusal, or similar rights to acquire additional franchises within the Territory/Development Area granted or any contiguous territories.

ITEM 13. TRADEMARKS

Registrations and Applications

Our Affiliate, RestoPro's, LLC, has granted us a license to use and sublicense to use the Marks listed in this Item 13. The term of the license is of perpetual duration. It may be terminated if we take any affirmative act of insolvency, if we wind up, sell, consolidate or merge our business, or if we breach any of our duties and obligations under the license and do not cure the breach within 30 days following written notice of the breach. Within the Franchise Agreement, the term "Marks" includes any other trade names, service marks, trademarks, designs, logos, slogans and commercial symbols now in existence or later adopted by us or RestoPro's, LLC

that are used in connection with the System. In the event that the license is terminated, your franchise rights will remain unaffected. No other agreements significantly limit our right to use or license the use of our Marks.

The following is a description of the principal trademarks and service marks registered on the Principal Register of the United States Patent and Trademark Office:

Mark	Registration Number	Registration Date
RestoPros	6122218	August 11, 2020

Because no federal registration is at least six years old, no affidavits are required at this time. The trademark has not yet been renewed.

We have no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board or any state trademark administrator or court. We have no pending infringement, opposition or cancellation proceeding or pending material federal or state court litigation regarding our use or ownership rights in a trademark. We have no actual knowledge of any superior prior rights or infringing uses which could materially affect your use of such marks.

You are required to immediately notify us of any use of, or claims of rights to, a mark identical to or confusingly similar to our marks. We have the right, but not the obligation, to bring any action against any third party using such a similar mark. You are required to participate in any such action we bring against a third party at your own expense. We have the right to control any such litigation or administrative proceedings, including any settlement. If any administrative or judicial proceeding arising from a claim or challenge to your use of any of our marks, you must immediately notify us. We are not required to take affirmative action when notified of such uses or claims or to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the trademarks, or if the proceeding is resolved unfavorably to you. We will have sole discretion to take or not to take any action as we deem appropriate in order to preserve and protect the ownership, identity, and validity of the marks. We are not obligated to defend you from any claims arising from your use of our primary marks but we will reimburse you for your liability and attorney fees, so long as your use was not in violation of the Franchise Agreement or any other agreement with us. We have the sole right to control any administrative proceedings or litigation involving the trademarks. If we decide to modify or discontinue the use of any mark and/or use one or more additional or substitute marks, you will be responsible for the tangible costs (such as replacing signs and materials) associated with such a change.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We do not have any pending patent applications that are material to the franchise. We and/or our affiliates intend to affix a statutory notice of copyright to advertising materials and design specifications, our Manual and other written

materials and items. We consider this information to be proprietary trade secrets, protectable under common law and applicable state laws. We also claim common law copyrights to the operational and training materials, building plans and specifications, and other proprietary materials specifically created by us in connection with the system, including proprietary advertisements, all materials presented to prospective customers of our brand, all product related marketing research, certain information on web and printed materials and forms used in connection with the operation of a franchised business. The Manual and other proprietary materials have not been registered with any copyright office.

There currently are no effective adverse determinations of the United States Copyright Office (Library of Congress) or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the confidential information or copyrighted materials. We know of no infringing uses of our copyrights which could materially affect your using the copyrighted materials in any state.

You must immediately inform us if you learn of any unauthorized use, infringement or challenge to the copyrighted materials, proprietary or confidential information, including but not limited to our Manual. We will take any and all action(s) (or refrain from same) that we determine, in our sole discretion, to be appropriate. We may control any action we choose to bring. We have no obligation to participate in or indemnify you for any infringement claims in regard to our copyrights. You must modify or discontinue use of the subject matter covered by any copyright if directed by us at your own expense.

In operating a franchised business in accordance with our System, you will obtain access to our confidential information and trade secrets. Except as specifically authorized, you must not communicate, divulge, or use such confidential information or trade secrets. Each of your equity owners is required to execute confidentiality covenants and you are required to obtain similar covenants from each of your general and assistant Designated Managers.

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

The Franchised Business must be under the direct, on-premises supervision of a fully-trained manager or a fully-trained assistant manager (the "Designated Manager") selected by you and approved by us. If you are a business entity, the Designated Manager does no does not need to have an ownership interest in you or the franchise. We do not require that you or other persons who directly or indirectly own an ownership interest in your business entity provide direct on-premises supervision.

Each Designated Manager must successfully complete those portions of our initial training program required for their positions in their entirety. More information about our initial training program and its costs is contained in Items 6 and 11 of this Disclosure Document. Designated Managers shall attend and complete special programs or periodic additional training as we may require in writing upon at least 60 days' prior notice. If you replace your Designated Manager, your replacement Designated Manager has 60 days to attend and satisfactorily complete our initial training program.

We may require certain individuals associated with your Franchised Business, including owners (and members of their immediate families and households), officers, directors, partners, and your managers and executives, to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the independent right to enforce the agreements.

If you are a business entity, each of your owners that are active in the Franchised Business at any time during the Term and any owner that has a beneficial ownership interest of 10% or more in you, must personally guarantee, jointly and severally, your obligations under the Franchise Agreement and agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement. This includes both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. The form of your Personal Guaranty is attached to the Franchise Agreement attached as Exhibit A-2.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must only offer the products and services that we authorize. You may not offer or sell products or services not authorized by us. You must offer all goods and services that we designate for your Franchised Business. We currently require you to offer restoration and remediation services and allow you to offer optional repair, remodel, and contents removal services. We may also periodically set maximum or minimum prices for services and products that your Business offers. We may periodically change the required and/or authorized products and services, and there are no limits on our right to do so. You must promptly implement these changes and must discontinue selling any products or services that we at any time decide to disapprove in writing.

You must use the Franchised Business premises only for operation of the Franchised Business and for no other unrelated purpose. You may not offer for sale or sell products or services related to the Franchised Business through alternative channels of distribution, such as the Internet. You must discontinue selling and offering for sale any services or products that we at any time decide to disapprove in writing.

There are no other limitations imposed by us on the persons to whom a franchisee may provide goods and services, except those imposed by the nature of the system itself.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section of Franchise Agreement	Summary
a. Length of the franchise term	§3.1	10 years from signing the Franchise Agreement
b. Renewal or extension of the term	§3.2	One additional 10-year term
c. Requirements for franchisee to renew or extend	§3.2	"Renewal" means that you, upon the expiration of the original term of the franchise agreement, have the right to enter into a new agreement according to our then-current forms that may have materially different terms and conditions than your original contract. You have the right to renew your franchise for the Franchised Location for an additional 10-year term, provided you meet all of the following conditions: (1) You have given us written notice at least 180 days prior to the end of the then-current term of the Franchise Agreement of your desire to renew; (2) You and all entities you are a member, partner or shareholder of, are in compliance with all agreements between you and us and between you and our affiliates, and there has been no series of defaults by you thereunder, whether or not such defaults were cured; (3) You make, or provide for in a manner satisfactory to us, such renovation and reequipping of your Franchised Business as we deem appropriate to reflect the then-current standards and image of the System, including, without limitation renovation or replacement of signs, equipment, vehicles, fixtures, and décor; (4) You sign the standard Franchise Agreement then being used by us within 30 days of receipt, which may include higher fees and a modification to the territory based upon our then-current methods of determining territory areas (and which may include a reduction in the territory); (5) You present satisfactory evidence that you have the right to remain in possession of the Franchised Location for the duration of the renewal term, unless we determine that the location of your business is no longer viable for the operation of your Franchised Business, in

Provision	Section of Franchise Agreement	Summary
		which case we may condition your right to renew on your obtaining a new site for your Franchised Business that we approve; (6) Your management staff successfully completes any refresher training prescribed by us at least 30 days prior to the expiration of the term of the Franchised Agreement; (7) You must pay us a renewal fee of $2,500 at least 15 days prior to the expiration of the initial term of your franchise agreement; and (8) At the time you sign the Franchise Agreement to renew your franchise, you sign and deliver to us a general release, in the form we prescribe, releasing, to the fullest extent permitted under the laws of the state where your Franchised Business is located, all claims that you may have against us and our affiliates and our respective current and former officers, directors, shareholders, employees, insurers, consultants, contractors and agents, in both their corporate and individual capacities.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	§15.6	We may not terminate the Franchise Agreement without cause.
f. Termination by franchisor with cause	§15	The Franchise Agreement permits us to terminate the agreement for cause during its terms and before expiration.
g. "Cause" defined-- curable defaults	§15.1	The Franchise Agreement will terminate automatically without notice upon the happening of certain bankruptcy or insolvency-related events. We can terminate the Franchise Agreement, after allowing you a five-day cure period, if you fail to pay any monies due under the Franchise Agreement. We can terminate the Franchise Agreement, after allowing you a 10-day cure period, if you fail to comply with applicable laws or any other provision of the Franchise Agreement or Confidential Operations Manual.
h. "Cause" defined-- non-	§15.2	We may terminate the Franchise Agreement without notice to you and without any opportunity to you to cure if the following occur:

Provision	Section of Franchise Agreement	Summary
curable defaults		(1) failure to begin operations; (2) to have your Designated Manager satisfactorily complete training; (3) to maintain required professional licenses, permits, etc. for more than 5 business days; (4) made a material misrepresentation or omission in the franchise application; (5) are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Franchised Business; (6) after notice to cure, fail to refrain from activities, behavior or conduct likely to adversely affect either party or the Franchised Business; (7) use the Confidential Operations Manual, trade secrets or other confidential information in an unauthorized manner; (8) fail to have required individuals sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-competition agreements; (9) abandon the Franchised Business; (10) failure to meet minimum Gross Sales of $30,000 beginning in the thirteenth month of operation; (11) surrender or transfer control of the Franchised Business in an unauthorized manner; (12) fail to maintain the Franchised Business under the supervision of a trained Designated Manager following your death or disability; (13) submit reports on two or more separate occasions understating any amounts due by more than 3%;

Provision	Section of Franchise Agreement	Summary
		(14) are insolvent or make a general assignment for the benefit of creditors; (15) misuse or make unauthorized use of the Marks; (16) fail on two or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; (17) violate on two or more occasions any health, safety, or other laws or operate in a manner creating a health or safety hazard; (18) take any action reserved to us; (19) repeatedly breach the Franchise Agreement or comply with specifications; (20) violate confidentiality or noncompetition obligations; (21) or default under any other agreement with us (or an affiliate) so that we (or the affiliate) have the right to terminate the agreement.
i. Franchisee's obligations on termination/non-renewal	§16	Upon termination or expiration of the Agreement, all rights granted to you under the Agreement will terminate, the franchise will revert to us and you will: (1) immediately cease representing yourself as a Franchisee; (2) cease using our Marks and System; (3) immediately pay what you owe us pursuant to the FA; (4) immediately return all printed materials provided to you by us, including the Manual; (5) de-identify your Franchised Business; transfer your telephone directory listings to us; (6) cease using proprietary products and our approved suppliers; and transfer your domain

Provision	Section of Franchise Agreement	Summary
		names, websites and social media accounts, etc. to us. (7) comply with the covenant contained in this agreement; (8) we may, if you fail or refuse to do so, execute in your name and on your behalf, any and all actions and/or documents that may be necessary to effect your obligations under this agreement and you hereby irrevocably appoint us as your attorney in fact to do so, which appointment is coupled with interest; and (9) furnish us with written evidence satisfactory to us of compliance with all the obligations set forth in Section 14 of the Franchise Agreement within 30 days of termination or expirations of the agreement.
j. Assignment of contract by franchisor	§14.1	No restriction on our right to assign.
k. "Transfer" by franchisee--definition	§14.2	The FA defines transfers by you to include any assignment or transfer of the FA, any interest in the FA, any sale or transfer of any interest in your business entity not specifically authorized in the FA, or a transfer of the Franchised Business or its assets.
l. Franchisor approval of transfer by franchisee	§14.2	Transfers require our prior written consent, which may be granted or withheld in our discretion.
m. Conditions for franchisor approval of transfer	§14.2	All of the following conditions must be satisfied: (1) we decline to exercise our right of first refusal; (2) all monetary obligations owed to us are paid; (3) franchisee and the transferee have executed a general release of any all claims against the Franchisor; (4) the prospective Franchisee has satisfied Franchisor that it meets all Franchisor's standards; (5) the transferee and any other interested parties have executed the current franchise agreement;

Provision	Section of Franchise Agreement	Summary
		(6) the prospective transferee and all persons owning any interest in the transferee sign the then-current Franchise Agreement for the existing Territory; (7) the Franchisee has provided the Franchisor with a complete copy of all contracts and agreement and related documentation between the Franchisee and the prospective transferee; (8) the franchisee or transferee has paid the Franchisor the $5,000 transfer fee and any third-party broker fees that will be incurred by the Franchisor regarding the transfer; (9) the transferee has obtained all necessary consents and approvals and met all legal requirements; (10) the transferee agrees that its Designated Manager will complete training as required by the Franchisor; (11) you or all of your owners have signed a confidentiality and non-competition agreement; (12) in the event of a transfer among a single Franchisee entity or group or purchasers comprising a single Franchisee, Franchisor reserves the right for the continuing Franchisee to sign a new Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	§19	We have a 45-day right of first refusal and can match offers.
o. Franchisor's option to purchase franchisee's business	§16.11	We may purchase your Business at fair market value upon the termination or expiration of the Franchise Agreement, at our discretion. We may exercise this right by giving you written notice of our election within 30 days after the date of the Termination Event.
p. Death or disability of franchisee	§14.3	If transfer or assignment is caused by your death or incapacity (including the death or incapacity of any person directly or indirectly owning fifty

Provision	Section of Franchise Agreement	Summary
		percent (50%) or more of an interest in the entity that is the Franchisee), the provisions of Section 13.2 must be met by the heir or personal representative succeeding to your interest; provided, however, if the heir or personal representative assigns, transfers, or sells its interest in the Franchise and in your Franchised Business within one hundred twenty (120) days after your death or incapacity, the transferee, and not the heir or personal representative, must comply with the provisions of 13.2.
q. Non-competition covenants during the term of the franchise	§17.1	You may not participate in any competing business except your franchise.
r. Non-competition covenants after the franchise is terminated or expires	§17.2	For two years after the termination or expiration of the Franchise Agreement, you, your owners, your officers, governing persons, executive personnel, your Designated Manager, and each individual's immediate family members are prohibited from: (1) Owning or working for a competitive business within the Territory, within 20 miles of the perimeter of the territory, or within the territory of any other RestoPros business; (2) or soliciting or influencing our customers, employees or business associates to compete with us or terminated their relationship with us.
s. Modification of the agreement	§2.3	If there is a 50% increase of population within your territory during the term of the agreement, we may modify the Franchise Agreement.
t. Integration/ merger clause	§20.4	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and the Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the franchise agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.
u. Dispute resolution by	§§18.2, 18.3, 18.4, 18.5	All controversies, disputes or claims between us are first subject to internal dispute resolution, then mediation followed by arbitration.

Provision	Section of Franchise Agreement	Summary
arbitration or mediation		
v. Choice of forum	§18.7	Subject to applicable state law, any mediation, arbitration or litigation must be held and conducted in Mecklenburg County, North Carolina or federal courts over Mecklenburg County, North Carolina.
w. Choice of law	§20.4	Subject to applicable state law, North Carolina law will govern.

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote, endorse or recommend our franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

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Financial Performance Representation

The following financial performance representation is based on historical data and relates to the 7 RestoPros™ businesses that operated continuously for at least 18 months as of December 31, 2023 and reported sufficient information to us. 1 outlet was owned and operated by our affiliate; the other 6 were owned and operated by franchisees. Because our franchisees generally experience an initial ramp-up period as well as seasonal fluctuations in sales, we do not have a reasonable basis to provide a financial performance representation that discloses only the first 12 months for brand new franchisees that opened before or after a seasonal fluctuation. To capture only the initial ramp-up period, which is likely skewed by either hiding or highlighting seasonal fluctuations, would not be indicative of actual performance and potentially misleading. The charts below reflect the actual historical financial performance from these 7 RestoPros businesses as such financial data was reported to us. This data has not been audited. We have not adjusted the data reported to us by the franchised businesses. Other than our affiliate's RestoPros business in Charlotte, North Carolina, each of the outlets in the charts below is listed anonymously.

As you will see, some outlets categorize their income and expenses in different categories than others without using a standard chart of accounts. Each of the 7 outlets has represented to us that they excluded their owner's salary from payroll, salary, wage, and similar expense categories. There were 46 franchised outlets during the reporting period. We excluded 1 outlet because it did not report sufficient information to us. We excluded 1 outlet because it did not operate during the entire 18-month reporting period due to personal reasons. We excluded 38 outlets because they had not operated for at least 18 months as of December 31, 2023. See the notes following the tables for additional information and details.

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Chart #1

Charlotte, NC Affiliate Business

Our affiliate, RestoPro's, LLC, has operated a RestoPros business similar to the business offered in this disclosure document based in Rock Hill, South Carolina, but operating largely in Charlotte, North Carolina, since June 16, 2017. The following table shows our affiliate's historical financial performance data for the 2023 Calendar Year. Our affiliate operates in an area comprising 5 territories. While this affiliate location markets within the entire Charlotte Metropolitan Service Area, it does not service this entire area. Our affiliate does not pay Royalty Fees or Corporate Marketing Fund Fees, which would have been approximately $303,967 (7%) and $43,424 (1%) respectively. Other than as stated above, there are no material operational or financial differences between the RestoPros business operated by this affiliate and the franchise offered under this disclosure document.

RestoPros of Charlotte #1	
Profit and Loss	
January–- December 2023	
	Total
Total Income	**$ 4,342,385.29**
Cost of Goods Sold	
Costs of Services	
Advertising & Marketing	4,353.39
Damage Restitution	1,830.83
Job Costs	84,452.00
Outside Services	69,402.73
Referral Sources	281,689.50
Subcontractors	3,000.00
Total Cost of Goods Sold	**$ 444,728.45**
Gross Profit	**$ 3,897,656.84**
Expenses	
Bank Service Charges	6,763.25
Bad Debt Expense	57,147.60
Car & Truck	78,359.23
Commissions	85,749.74
Continuing Education	199.00
Dues, Fees & Subscriptions	6,221.28
Entertainment	972.18
Equipment Repair & Maintenance	3,481.55
Fuel	89,867.38
Insurance	123,868.76
Interest Paid	17,242.32
Legal & Professional Services	48,827.29

Marketing & Advertising		16,357.77
Meals		36,134.43
Medical Expense		4,947.11
Merchant deposit fees		1,289.66
Miscellaneous		459.88
Office Supplies & Software		31,792.22
Other Miscellaneous Expense		-258,055.18
Payroll Expenses		3,622.03
Company Contributions		28,132.04
Taxes		122,621.42
Wages		1,180,945.02
Payroll Fees		6,064.17
Postage		411.97
QuickBooks Payments Fees		1,475.30
Recruiting		2,565.60
Refund		7,100.09
Reimbursable Expense		74,504.08
Rent & Lease		53,305.29
Repairs & Maintenance		2,721.93
Security Expenses		10,115.22
Sponsorship		13,600.00
Taxes & Licenses		5,662.30
Telephone		23,148.39
Training		2,646.00
Travel		13,688.73
Uniform Expense		8,150.31
Uniforms		132.39
Utilities		11,546.60
Waste Management		18,989.24
Royalty Fees (Imputed)		$303,967
Corporate Marketing Fund Fees (Imputed)		$43,424
Total Expenses	**$**	**2,290,164.59**
Net Operating Income	**$**	**1,607,492.25**

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Chart #2

This outlet operated in an area comprising 2 territories.

RestoPros Franchise #2	
Profit and Loss	
January–- December 2023	
	Total
Total Income	**$2,484,001.55**
Cost of Goods Sold	
Advertising & Marketing	39,837.40
Job Supplies	193,421.38
Waste Disposal	16,308.07
Outside Services	36,124.90
Referral Sources	174,200.00
Total Cost of Goods Sold	**$ 459,891.75**
Gross Profit	**$2,024,109.80**
Expenses	
Bank Charges & Fees	30.00
Building & property rent	48,880.00
Business Gifts	329.67
Business licences	457.96
Contents Laundry Fees	160.00
Continuing Education	1,100.00
Drug Testing	410.81
Due, Fees & Subscriptions	26,812.83
Employee benefits	2,417.51
Equipment rental	4,565.41
General business expenses	243.00
Bank fees & service charges	550.15
Uniforms	16,024.63
Improvements to Building	8,149.52
Insurance	15,038.60
Interest paid	2,216.32
Job Listings	319.93
Legal & accounting services	28,446.49
Meals	22,997.91
Media and Print ads	4,523.44
Office expenses	25,252.27
Other Professional Fees	555.00

Taxes	32,805.00
Wages	417,737.56
Pest Control	654.75
QuickBooks Payments Fees	1,042.26
Repairs & maintenance	8,854.81
Royalty Franchise Fees	212,088.16
Storage Unit	1,289.42
Taxes paid	7,748.98
Property taxes	2,821.92
Travel	4,586.52
Phone service	12,133.25
Water & sewer & Electricity	5,135.79
Parking & tolls	11.57
Repair and Maintenance	35,451.02
Vehicle gas & fuel	37,136.10
Vehicle insurance	38,331.71
Vehicle loan interest paid	10,441.51
Vehicle registration	1,605.96
Vehicle wash & road services	1,561.49
Total Expenses	**$1,040,919.23**
Net Operating Income	**$ 983,190.57**

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Chart #3

This outlet operated in an area comprising 3 territories.

RestoPros Franchise #3	
Profit and Loss	
January–- December 2023	
	Total
Total Income	**$2,382,539.02**
Cost of Goods Sold	
Costs of Services	500.00
Job Costs	148,079.53
Outside Services	1,200.00
Referral Sources	213,177.00
RIB	40,709.06
Subcontractors	71,245.97
Total Cost of Goods Sold	**$ 474,911.56**
Gross Profit	**$1,907,627.46**
Expenses	
Bank Charges & Fees	81.76
Business Gifts	7,052.43
Car & Truck	10,430.10
Client Meals	22,254.45
Continuing Education	80.00
Due, Fees & Subscriptions	190.80
Employee Incentive	9,502.65
Employee bonus	6,065.00
Entertainment Meals	6,551.09
Equipment Purchases	26,653.56
Estimated Income	39,597.00
Commissionable Expenses	1,050.00
GMC Lease Payment	4,546.76
Insurance	31,766.18
Interest Expense	3,904.69
Legal & Professional Services	8,274.00
Marketing and Advertising	3,991.38
Marketing fund	22,637.61
Medical Expense	150.00
Office Rent Expense	32,193.75
Office Supplies & Software	13,736.37

Payroll Expenses	46,605.93
Taxes	38,555.28
Wages	334,226.84
Postage	1,079.86
Printing and Reproduction	2,297.70
QuickBooks Payments Fees	3,465.95
Recruiting	9,487.64
Reimbursable Expense	3,457.22
Reimbursements	1,700.00
Cleaning & Lawn Care	7,050.00
Repair & Maintenance	32,082.38
Royalty	158,463.27
Security Expenses	799.08
software subscriptions	6,524.91
Sponsorship	6,157.74
Taxes & Licenses	33,666.77
Telephone	4,171.13
Training	2,554.00
Travel	1,116.58
Entertainment	3,859.00
Lodging and transportation	5,149.91
Meals	10,072.90
Parking and Tolls	302.03
Uniforms	13,255.18
Utilities	3,724.47
Waste Management	13,375.76
Total Expenses	**$ 993,911.11**
Net Operating Income	**$ 913,716.35**

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Chart #4

This outlet operated in an area comprising 5 territories.

RestoPros Franchise #4	
Profit and Loss	
January–- December 2023	
	Total
Total Income	**$2,674,199.76**
Cost of Goods Sold	
5000 Cost of Goods Sold	163,318.35
5500 Dumpster Fees	44,638.16
Total Cost of Goods Sold	**$ 207,956.51**
Gross Profit	**$2,466,243.25**
Expenses	
6010 Advertising & Marketing	10,335.73
6030 Bank Charges & Fees	16.50
6040 Car & Truck Maintenance	19,014.77
6042 Customer Welfare	342.49
6045 Donation	2,000.00
6050 Dues and Subscriptions	880.29
6060 Entertainment–- No Meals	11,240.30
6070 Equipment < $2500	75,343.83
6075 Equipment Rental for Jobs	2,426.06
6080 Gas for Trucks	18,621.89
6090 Internet	854.86
6110 Insurance–- Auto	28,998.05
6120 Insurance–- Tools & Equipment	722.00
6130 Insurance–- Umbrella Policy	1,994.54
6140 Insurance–- Workers Comp	16,653.07
6150 Insurance- Business Owners/GL	6,597.00
6160 Insurance -Health	515.55
6210 Interest Paid	23,566.85
6220 Job Supplies	86,472.00
6230 Legal & Professional Services	9,460.50
6240 Licenses / Fees / Taxes	5,716.02
6310 Meals–- Business w/ Employee/Customer	3,887.75
6320 Meals–- customer marketing	15,484.00
6330 Meals–- Traveling	623.35

6340 Meals–- Water on Job	321.66
6350 Meals–- Snacks Office	1,278.89
6410 Mileage	4,857.12
6420 Office Supplies	12,716.64
6445 Taxes	63,469.92
6450 Wages	482,242.85
Health Insurance	692.25
6460 QuickBooks Payments Fees	2,077.23
6470 Referral Fee	115,850.00
6490 Rent & Lease	56,964.72
6500 Repairs & Maintenance	2,267.63
6510 Royalty Fees to RestoPros Corp	207,532.57
6520 Software Expense < 1 year	15,267.82
6530 Subcontractors	60,210.00
6540 Team Building/Holiday Party	2,472.10
6610 Telephone – Mobile	1,122.20
6620 Telephone–- Office Lines	1,539.00
6680 Training	2,261.00
6700 Travel	2,893.12
6710 Uniforms	6,772.91
6720 Utilities	2,384.11
Total Expenses	**$1,386,961.14**
Net Operating Income	**$1,079,282.11**

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Chart #5

This outlet operated in an area comprising 1 territory.

RestoPros Franchise #5	
Profit and Loss	
January–- December 2023	
	Total
Total Income	**$323,525.45**
Cost of Goods Sold	
Subcontractor expenses	6,441.06
Supplies & materials–- COGS	375.46
Total Cost of Goods Sold	**$ 6,816.52**
Gross Profit	**$316,708.93**
Expenses	
Advertising & marketing	32,147.59
Social media	3,937.50
Commissions & fees	20,508.79
Contract labor	2,619.00
Equipment rental	1,837.49
General business expenses	1,472.14
Insurance	10,533.53
Interest paid	1,334.42
Business loan interest	879.34
Total Interest paid	2,213.76
Meals	1,730.56
Office expenses	10,430.07
Taxes	8,622.27
Wages	98,567.44
QuickBooks Payments Fees	1,221.88
Reimbursements	210.00
Supplies	3,060.50
Travel	5,141.34
Vehicle expenses	12,164.76
Total Expenses	**$218,632.38**
Net Operating Income	**$ 98,076.55**

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Chart #6

This outlet operated in an area comprising 1 territory.

RestoPros Franchise #6	
Profit and Loss	
January–- December 2023	
	Total
Total Income	**$258,563.59**
Cost of Goods Sold	
Abatement Expense	5,185.40
Damage Restitution	586.37
Job Costs	42,698.34
Referral Sources	6,118.01
Subcontractors	7,922.06
Total Cost of Goods Sold	**$ 62,510.18**
Gross Profit	**$196,053.41**
Expenses	
66000 Payroll Expenses	44,766.71
Taxes	15,839.51
Workers Comp	3,601.44
Bank Charges & Fees	653.18
Car & Truck	8,126.21
Collections Expense	202.49
Due, Fees & Subscriptions	1,840.75
Equipment Purchases	5,365.46
Equipment Repair & Maintenance	368.92
Insurance	1,622.34
Interest Expense	1,388.38
Legal & Professional Services	8,809.51
Marketing	3,480.62
Meals	2,010.13
Miscellaneous	54.38
Office Supplies & Software	7,008.06
Postage	40.11
Recruiting	1,340.74
Rent & Lease	5,256.72
Retirement Plan Administration	1,740.00
Royalty & Marketing Fees	19,142.97
Taxes & Licenses	168.17
Telephone	1,273.67

Training	1,546.00
Travel	1,223.89
Uniforms	951.86
Total Expenses	**$137,822.22**
Net Operating Income	**$ 58,231.19**

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Chart #7

This outlet operated in an area comprising 2 territories.

RestoPros Franchise #7	
Profit and Loss	
January–- December 2023	
	Total
Total Income	**$453,408.38**
Cost of Goods Sold	
Damage Restitution	140.73
Equipment Purchases	13,068.88
Equipment Rental–- COGS	29,618.53
Job Costs	20,875.04
Referral Sources	28,626.00
Subcontractors	15,372.82
Waste Management	6,909.23
Total Cost of Goods Sold	**$114,611.23**
Gross Profit	**$338,797.15**
Expenses	
Advertising & Marketing	12,801.35
Bank Charges & Fees	500.02
Car & Truck	2,141.90
Due, Fees & Subscriptions	435.55
Insurance	7,836.08
Legal & Professional Services	13,471.98
Marketing Royalties	4,621.40
Office Supplies & Software	1,938.77
Company Contributions	10,076.33
Taxes	17,917.82
Wages	123,288.57
Workers Comp	2,664.82
Postage	249.00
Royalties	32,349.68
Software Subcriptions	9,951.17
Taxes & Licenses	316.89
Telephone	2,957.62
Travel	11,592.76
Uniforms	1,247.22
Total Expenses	**$256,358.93**
Net Operating Income	**$ 82,438.22**

Notes to Item 19

1. "Total Income," as used in the charts above, has the same meaning as "Gross Sales" in the Franchise Agreement, and means the total receipts from all sales received from performing, marketing, and selling products and services, whether in the form of cash, credit or otherwise. "Total Income" does not include any sales tax or other tax collected and paid to the appropriate taxing authority.

2. These charts do not include certain costs and expenses you will incur in the categories of occupancy expenses, depreciation and amortization, and initial franchise fees. The charts also do not account for interest or principal payments on loans to the businesses or income taxes owed by the businesses or their owners.

3. Chart #1 does not include certain costs and expenses incurred by our affiliate, which in reason will not be incurred by franchisees, including international and multi-location domestic travel, franchise development costs, franchise marketing costs, and acquisition of assets tangential to the RestoPros franchise business among other things.

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 financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Shannon Roderick, 14301 South Lakes Drive, Suite E, Charlotte, NC 28273, 704-604-0370, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	1	2	+1
	2022	2	15	+13
	2023	15	45	+30
Company-Owned	2021	1	2	+1
	2022	2	1	-1
	2023	1	2	+1
Total Outlets	2021	2	4	+2
	2022	4	16	+12
	2023	16	47	+31

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023

State	Year	Number of Transfers
FL	2021	0
	2022	0
	2023	1
NC	2021	0
	2022	0
	2023	0
SC	2021	0
	2022	1

State	Year	Number of Transfers
	2023	0
Total Transfers	2021	0
	2022	1
	2023	1

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

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arkansas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Colorado	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Connecticut	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Florida	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	8	0	0	0	1**	8

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Georgia	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	2	1*	0	0	0	4
Indiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Louisiana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Massachusetts	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Missouri	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
New Jersey	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
North Carolina	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	2	1	0	0	0	2
Ohio	2021	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oklahoma	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
South Carolina	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Tennessee	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
Texas	2021	0	0	0	0	0	0	0
	2022	0	4	0	0	0	0	4
	2023	4	7	1	0	0	0	10
Totals	2021	1	1	0	0	0	0	2
	2022	2	13	0	0	0	0	15
	2023	15	33	3	0	0	1	45

* Georgia termination was a location that never officially opened
** A Florida territory was transferred to a new owner and added into that new owner's franchise territory.

Table No. 4
Status of Company-Owned Outlets
For years 2021 to 2023

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
South Carolina *	2021	1	1	0	0	0	2
	2022	2	1	0	0	2	1
	2023	1	1	0	0	0	2
Totals	2021	1	1	0	0	0	2
	2022	2	1	0	0	2	1
	2023	1	1	0	0	0	2

*Our affiliate, RestoPro's, LLC, is based in Rock Hill, South Carolina, but largely operates across Charlotte, North Carolina.

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

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Colorado	1	1	0
Florida	2	2	0
Georgia	0	1	0
Iowa	1	0	0
Kentucky	1	1	0
Michigan	3	0	0
North Carolina	1	1	1
New Jersey	1	1	0
Nevada	1	1	0
Ohio	3	1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Pennsylvania	1	0	0
Texas	1	2	0
TOTAL	16	11	1

Exhibit C to this Disclosure Document lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of the date of this Disclosure Document. Exhibit C also lists the names and last known address and telephone numbers for franchisees who had a Franchise Agreement terminated, cancelled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to buyers when you leave the Franchise System.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the RestoPros™ system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. Some former franchisees signed confidentiality agreements during the last 3 fiscal years as part of negotiated termination agreements restricting their ability to speak openly about their experience with our franchise system. We are not aware of any trademark-specific franchisee organizations associated with our Franchise System.

ITEM 21. FINANCIAL STATEMENTS

Exhibit B contains our audited financial statements for the fiscal years ending December 31, 2021, December 31, 2022, and December 31, 2023. Our fiscal year end is December 31.

Exhibit B also contains our interim, unaudited financial statements as of April 30, 2024. These Financial Statements have been prepared without an audit. Prospective Franchisees or sellers should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their consent or form.

ITEM 22. CONTRACTS

Exhibit A of this Disclosure Document contains all contracts proposed for use or in use regarding the offer of our franchises, including the following agreements:

Exhibit A - Franchise Agreement
- Exhibit A-1: Franchise Agreement Rider
- Exhibit A-2: Personal Guaranty
- Exhibit A-3: Owner Personal Covenants Regarding Confidentiality and Competition
- Exhibit A-4: Sample General Release
- Exhibit A-5: ACH Authorization
- Exhibit F – Multi-State Addendum
- Exhibit G – Confirmation of Additional Terms and Representations Addendum

ITEM 23. RECEIPTS

The last two pages of this Disclosure Document are detachable duplicate Receipts that serve as an acknowledgement of your receipt of a copy of this Disclosure Document. You should sign both copies of the Receipt and return one copy to us.

[Remainder of page left blank intentionally]

EXHIBIT A
TO FRANCHISE DISCLOSURE DOCUMENT

RESTOPROS FRANCHISING, LLC
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is made as of the Effective Date set forth in the Rider attached to this Agreement (the "Rider") between RestoPros Franchising, LLC., a North Carolina limited liability company ("we" or "us") and the person or persons named in the Rider as "Franchisee" ("you"). If you are a corporation, partnership, limited liability company or other entity approved by us to own a Franchised Business (the "Approved Entity"), the term "owners" in this Agreement shall refer to your shareholders, partners, members or other interest holders. Unless otherwise approved by us, the term "Controlling Person" refers to the person who owns forty percent (40%) or more and the largest share of the general partnership interest of such partnership; the equity and voting power of all classes of the issued and outstanding capital stock of such corporation; the membership interests of such limited liability company or the voting and ownership interests of such other entity.

1. INTRODUCTION

1.1. We have invested substantial time, effort and money to develop a system of operating businesses that provide remediation and restoration to residential and commercial properties that have been damaged by water, smoke, fire and mold and we, or our affiliate, have filed a trademark for the name "RestoPros®" as well as other intellectual property rights. We grant franchises to qualified candidates for the operation of a RestoPros. We license our trademark rights in our logo and may in the future adopt, use and license additional or substitute trademarks, service marks, logos and commercial symbols in connection with the operation of Franchised Businesses (collectively the "Marks"). Franchised Businesses use our methods, procedures, standards, specifications and the Marks (all of which are collectively referred to as the "System") which we may improve, further develop or otherwise modify from time to time.

1.2. You acknowledge that you have had an adequate opportunity to be thoroughly advised of the provisions of this Agreement and our Franchise Disclosure Document and have had sufficient time and opportunity to evaluate and investigate the System and the procedures and financial requirements associated with the System, as well as the competitive market in which it operates.

1.3. You desire to operate a Franchised Business that will conform to our uniform requirements and quality standards as established from time to time by us.

2. GRANT OF FRANCHISE AND FRANCHISED LOCATION

2.1. Grant of Franchise. Subject to the provisions stated below, we license to you a personal franchise to operate a RestoPros (your "Franchised Business") in conformity with our System at the address described on the Rider (the "Franchised Location"). You accept the license and undertake the obligation to operate your Franchised Business using the System and in compliance with our standards. Unless otherwise agreed in writing by us, you must open your Franchised Business within 90 days from the Effective Date. You must thereafter diligently operate your Franchised Business in accordance with this Agreement for the entire remaining term of this Agreement. Notwithstanding the foregoing, if you are entering into this Agreement pursuant to the terms of an Area Development Agreement executed between you and us, you will open your Franchised Business on or before the date set forth in the "Development Schedule" (as defined in the Area Development Agreement). Your Franchised Business may only be operated at the Franchised Location and within the Territory defined

below. If you would like to open a second or subsequent territory or location, you must sign a new franchise agreement on our then-current form for each territory or location and pay the applicable franchise fees for each territory or location.

2.2. Territory. Included in the Rider is a map or description of an area surrounding the Franchised Location (the "Territories" and collectively, the "Territory"). The number of Territories you are granted under this Agreement is listed in the Rider. You may only solicit or otherwise market the Franchised Business within the Territory. During the term of this Agreement, we will not operate or license to anyone else the right to operate a Franchised Business within the Territory. However, you may face competition from other franchisees and us and our affiliate(s) within the Territory as there are no restrictions on where we, our affiliate(s), and our franchisees may provide services. Similarly, you may provide services outside of the Territory so long as you have not solicited such services or marketed the Franchised Business outside of the Territory. We may, in our sole discretion, designate certain geographic areas outside of the Territory in which you shall not provide services. You acknowledge and agree that (i) we and our affiliates have the right to grant other franchises or licenses and to operate company or affiliate owned locations outside the Territory even if they compete with your Franchised Business for customers who may live and/or work in or near the Territory, (ii) we and our affiliates have the right to operate, and to grant franchises or licenses to others to operate franchised locations and any other business from locations within and outside the Territory under trademarks other than the Marks, without compensation to you, and (iii) we or our affiliate(s) may acquire, be acquired by, or merge with, another business that operates or grants franchises to operate a Competitive Business, and in such case there would be no restriction on us or such other parties establishing Competitive Businesses in the Territory using other trademarks or licensing anyone to use other trademarks to operate such Competitive Businesses in the Territory.

2.3. Reservation of Rights. We and our affiliates reserve any and all rights not expressly granted to you under this Agreement, including, without limitation, the right to sell anywhere (including within the Territory) products and services (including to your customers) under the "RestoPros" name, or under any other name, through any channel of distribution.

3. TERM AND RENEWAL RIGHTS

3.1. Initial Term. The term of this Agreement is for 10 years commencing on the Effective Date of this Agreement, unless terminated earlier as provided in this Agreement.

3.2. Renewal. You have the right to renew your franchise for the Franchised Location for one (1) additional ten-year term, provided you meet all of the following conditions:

3.2.1. You have given us written notice at least one hundred eighty (180) days prior to the end of the then-current term of this Agreement of your desire to renew;

3.2.2. you and all entities you are a member, partner or shareholder of, are in compliance with all agreements between you and us and between you and our affiliates, and there has been no series of defaults by you thereunder (i.e., an abnormal frequency of defaults or a default that has occurred repeatedly, or a combination thereof), whether or not such defaults were cured;

3.2.3. you make, or provide for in a manner satisfactory to us, such renovation and reequipping of your Franchised Business as we deem appropriate to reflect the then-current standards and image of the System, including, without limitation, renovation or replacement of signs, equipment, vehicles, fixtures and decor;

3.2.4. you pay us a renewal fee at least fifteen (15) days prior to the expiration of the initial term of this Agreement in an amount equal to two thousand five hundred dollars ($2,500) (the "Renewal Fee");

3.2.5. you sign the standard Franchise Agreement then being used by us within thirty (30) days of receipt. The terms of such Franchise Agreement may differ from this Agreement, including higher fees and a modification to the Territory based upon our then-current methods of determining Territory areas (and which may include a reduction in the Territory);

3.2.6. you present satisfactory evidence that you have the right to remain in possession of the Franchised Location for the duration of the renewal term, unless we determine that the location of your business is no longer viable for the operation of your Franchised Business, in which case we may condition your right to renew on your obtaining a new site for your Franchised Business that we approve;

3.2.7. you or your Principal Officer successfully completed any refresher training prescribed by us at least thirty (30) days prior to the expiration of the term of this Agreement; and

3.2.8. at the time you sign the Franchise Agreement to renew your franchise, you sign and deliver to us a general release, in the form we prescribe, releasing, to the fullest extent permitted under the laws of the state where your Franchised Business is located, all claims that you may have against us and our affiliates and our respective current and former officers, directors, shareholders, employees, insurers, consultants, contractors and agents, in both their corporate and individual capacities.

We will deliver to you a notice of non-renewal within fourteen (14) days of receipt of your written notice of renewal as set forth in Section 3.2.1 of this Agreement. If you fail to timely comply with any provision of this Section 3.2, time being of the essence, we will at all times thereafter be permitted to operate or license to someone else the right to operate a Franchised Business from any location in the Territory, and you specifically grant to us and to the owner of that center the right to contact the customers of your Franchised Business, notify them that you have chosen not to renew your relationship with us, and solicit those customers for the benefit of us or another franchisee of the System.

4. MARKS AND COPYRIGHTS

4.1. Identity of Your Franchised Business. Your Franchised Business will be identified by the trademark "RestoPros®."

4.2. Ownership of Mark. You agree that we own or have sublicensed the rights to the Marks and the System. You also agree that any and all improvements and derivations by you relating to the Marks and System are our sole property and you hereby assign to us the same, together with the goodwill associated with the same. We will have the exclusive right to register and protect all such improvements and derivations of the Marks and the System.

4.3. Use. Your right to use and identify with the Marks and System applies only to the Franchised Location and exists concurrently with the term of this Agreement and only so long as you are in complete compliance with our quality standards. You will have the right to use the Marks and System only in the manner prescribed, directed and approved by us in writing. You will not have or acquire any rights in any of the Marks or System other than the right of use as governed by this Agreement. You may not authorize others to use or reproduce our Marks without our prior written consent. Your use of the Marks and any resulting goodwill

will be to our exclusive benefit. If, in our judgment, your conduct infringes upon or demeans the goodwill, standards of uniformity or quality, or business standing associated with the Marks or the System, you will immediately, upon written notice from us, modify your use of the Marks and the System in the manner prescribed by us in writing. You will not during or after the term of this Agreement do anything directly or indirectly which would disparage, infringe upon, harm, or contest our rights in, the Marks or System.

4.4. Promotion. You will operate your Franchised Business so that it is clearly identified and advertised as a RestoPros. The style, form and use of the words "RestoPros" in any advertising, written materials, products or supplies, including but not limited to any Technology Platform (defined below), must, however, have our prior written approval and comply with our specifications as we may prescribe in writing and as set forth in the Manual, or otherwise. You will use the trademark "RestoPros®" and the other Marks which now or hereafter may form a part of the System, on all signs, paper supplies, business cards, uniforms, advertising materials, Technology Platforms, signs and other articles in the identical combination and manner as we may prescribe in writing, and you will supply to us samples or photographs of the same upon our request. You will comply with all trademark, trade name, service mark and copyright notice marking requirements and you will supply to us samples or photographs of the same upon our request. You will not use the words "RestoPros" in your corporate, partnership, limited liability company or other entity name.

4.5. Substitutions of, or Adverse Claims to Marks. We have the right to protect and maintain all rights to the Marks against encroachment, misuse or unauthorized use and against all challenges to any rights of its use, as we deem appropriate. If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Mark, or to discontinue using any Mark, or if there is an adjudication by a court of competent jurisdiction that any party's rights to any of the Marks are superior to ours, then upon written notice from us, you will, at your sole expense, immediately adopt and use the changes and amendments to the Marks that are specified by us in writing, and if the Mark that is changed is the name "RestoPros" then all references in this Agreement to the name "RestoPros" will be deemed references to such substitute Mark. If we modify or discontinue use of any Mark, you will immediately cease using the Marks specified by us, and will, as soon as reasonably possible, commence using the new trademarks, trade names, service marks, logos, designs and commercial symbols designated by us in connection with all advertising, marketing and promotion of your Franchised Business. We will have no liability or obligation whatsoever with respect to your modification or discontinuance of any Mark. You will not make any changes or amendments in or to the use of the Marks or System unless directed by us in writing.

4.6. Litigation. You will have no obligation to and will not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. You will, however, immediately notify us of any claims or complaints made against you with respect to the Marks and will, at your reasonable expense, cooperate in all respects with us in any court or other proceedings involving the Marks. We will pay the cost and expense of all litigation incurred by us, including attorneys' fees, specifically relating to the Marks. We will have the right to control and conduct any litigation relating to the Marks and be entitled to all recovery related to claims with respect to the Marks. While we are not required to defend you against a claim based on your use of the Marks, we will reimburse you for your liability and, so long as your use was not

in violation of this Agreement or any other agreement with us, attorneys' fees. You will also be required to reimburse us for liability arising out of your unauthorized use of any of the Marks.

4.7. Copyrighted Materials. You acknowledge and agree that we may authorize you to use certain copyrighted or copyrightable works (the "Copyrighted Materials"), including the Manual (as defined below). The Copyrighted Materials are our valuable property. Your rights to use the Copyrighted Materials are granted to you solely on the condition that you comply with the terms of this Agreement. Your use of the Copyrighted Materials does not vest you with any interest other than the temporary, non-exclusive license to use the Copyrighted Materials granted in this Agreement. All rights that inure as a result of the use of the Copyrighted Materials belong solely to us.

4.8. Protection. You will sign any documents that we or our counsel deem necessary for the protection of the Copyrighted Materials or the Marks or to maintain their validity or enforceability, or to aid us, at our expense, in acquiring rights in or in registering any of the Marks or any trademarks, trade names, service marks, slogans, logos or emblems that we subsequently adopt.

5. INITIAL FRANCHISE FEE

5.1. Initial Franchise Fee. You will pay us a non-refundable initial franchise fee (the "Initial Franchise Fee") as set forth in the Rider. The Initial Franchise Fee shall be calculated as follows: $60,000 for a Territory not to exceed 250,000 in population and an additional $0.15 for each person over 250,000 in your Territory. If you are purchasing two (2) to five (5) Territories, your Initial Franchise Fee shall be calculated as follows:

Number of Territories	Total Population	Initial Franchise Fee	Cumulative Franchise Fee
1	250,000	$60,000	$60,000
2	500,000	$40,000	$100,000
3	750,000	$30,000	$130,000
4	1,000,000	$30,000	$160,000
5	1,250,000	$30,000	$190,000

5.2. No Refunds. The Initial Franchise Fee has been fully earned upon our signing of this Agreement and is non-refundable in consideration of the expenses incurred by us in granting this franchise and for the lost or deferred opportunity to franchise others.

6. OTHER FEES

6.1. Royalty Fee. The first Monday of each month, you will pay us a non-refundable monthly royalty payment (the "Royalty Fee") equal to seven percent (7%) of your Gross Sales for the prior month. Beginning the 13th month after the Effective Date, you shall pay to us a $2,400 monthly minimum Royalty Fee.

6.2. Gross Sales Defined. The term "Gross Sales" means the total receipts from all sales on a cash (not accrual) basis by the Franchised Business received from performing, marketing, and selling products and services, whether in the form of cash, credit or otherwise. Gross Sales does not include any sales tax or other tax collected by the Franchised Business and paid to the appropriate taxing authority.

6.3. Technology Fee. The first Monday of each month, you will pay us a non-refundable monthly technology fee for the current month in the amount of $375 (the "Technology Fee"). The Technology Fee relates to your access and use of certain Technology Platforms, systems, and software as specifically designated by us.

6.4. Method of Payment. Notwithstanding any designation by you, we have the sole discretion to apply any payments made by you to any of your indebtedness for Royalty Fees, Corporate Marketing Fund Fees, Technology Fees, purchases from us or our affiliates, vendors, interest, collection costs or any other indebtedness. You agree that you will not withhold payment of any Royalty Fees, Corporate Marketing Fund Fees, Technology Fees, or any other amount due us, and that the alleged non-performance or breach of any of our obligations under this Agreement or any related agreement does not establish a right at law or in equity to withhold payments due us for Royalty Fees, Corporate Marketing Fund Fees, Technology Fees, or any other amounts due. You are required to execute the ACH Authorization shown in Exhibit A-4 to this Agreement.

You hereby authorize your billing and payment processor to deduct from any monies it collects on your behalf the amount of all fees and payments you are obligated to pay us and to our affiliates and to pay those fees to us or to our affiliates on the due date of such fee. We also have the right to require you to sign and deliver to us, our bank(s) and your bank, as necessary, all forms and documents that we may request to permit us to debit your account, either by check, via electronic funds transfer or other means or such alternative methods as we may designate ("Payment Methods") for all fees and payments due to us. We may use the Payment Methods to collect Royalty Fees, Corporate Marketing Fund Fees, Technology Fees, and any other amounts due to us or our affiliates on the date such amounts become due. You will notify us at least twenty (20) days before closing or changing the account against which such debits are to be made. If such account is closed or ceases to be used, you will immediately provide all documents and information necessary to permit us to debit the amounts due from an alternative account. You acknowledge that these requirements are only a method to facilitate prompt and timely payment of amounts due and will not affect any obligation or liability for amounts owed.

6.5. Security Interest. You grant us a first priority security interest in your receivables and equipment, whether now existing or hereinafter created, together with all proceeds of such assets. You authorize us to file one or more financing statements to evidence this security interest. However, we will subordinate our first priority interest to a lending institution that provides you financing for your Franchised Business.

6.6. Late Fee. You will pay us a late fee in the amount of ten percent (10%) of the amount due if you fail to pay the Royalty Fee and Corporate Marketing Fund Fees within ten (10) days of the due date.

6.7. Insufficient Funds Fee. You will pay us an Insufficient Funds Fee of five percent (5%) or fifty dollars ($50), whichever is greater, or the maximum fee allowed by law on all fees that are not paid to us because of insufficient funds. The fee is payable on each fee, transaction, or draft that is not paid to us because of insufficient funds.

6.8. Audit Fee. If you fail to furnish any reports we require or understate your Gross Sales by more than three percent (3%), you will pay us the understated amounts, plus interest, plus the amount of audit fees and related expenses.

6.9. Unpaid Amounts. Any unpaid amounts owed by you to us or any of our affiliates including without limitation any Royalty Fee, Corporate Marketing Fund Fees, Technology Fee, and product purchases will bear interest, beginning on the 11th day after such amount's due date, at the rate of one- and one-half percent (1.5%) per month or the maximum rate

permitted by law, whichever is less. You must reimburse us and our affiliates for all costs incurred in the collection of unpaid amounts, including attorneys' fees.

7. ADVERTISING AND PROMOTION

7.1. Advertising and Marketing. You agree to conduct marketing, advertising, and promotional activities and programs for your Franchised Business subject to our oversight and direction. Your marketing, advertising, and promotional activities and programs must meet the standards we establish from time to time. The amounts you spend on the marketing, advertising, and promotional activities and programs are in addition to the Corporate Marketing Fund Fees (defined below) that you must pay to us. Upon request by us, you must provide us with a report itemizing the amounts you spend on marketing, advertising, and promotional activities and programs from time to time.

7.2. Corporate Marketing Fund Fee. We have established a general advertising and marketing fund for the common benefit of System Franchisees (the "Corporate Marketing Fund"). The first Monday of each month, you must contribute one percent (1%) of your Gross Sales from the prior month to the Corporate Marketing Fund (the "Corporate Marketing Fund Fee").

7.2.1. The Corporate Marketing Fund Fee is due on or before the first day of each month and in the same manner as the Royalty Fee. The first payment is not due until the month that begins immediately after the month that your Franchised Business opens. Your obligation to pay the Corporate Marketing Fund Fee continues through the term of this Agreement. You will also pay the full amount of the Corporate Marketing Fund Fee for the last month of the term of this Agreement, regardless the actual termination date of this Agreement.

7.2.2. We reserve the right to increase your Corporate Marketing Fund Fee to up to three percent (3%) of your monthly Gross Sales upon thirty (30) days' notice to you.

7.2.3. We have the right to use Corporate Marketing Fund contributions, in our sole discretion, to develop, produce, and distribute national, regional and/or local advertising and to create advertising and public relations materials which promote, in our sole judgment, the products offered by System Franchisees. We may use the Corporate Marketing Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising. We are not obligated to expend monies from the Corporate Marketing Fund in any particular Franchisee's market in proportion to the payments to the Corporate Marketing Fund made by the Franchisee in that market. We do not represent that we will spend any particular amount of the Corporate Marketing Fund locally, regionally, or nationally.

7.2.4. We shall administratively segregate all contributions to the Corporate Marketing Fund on our books and records. All such payments to the Corporate Marketing Fund may be deposited in our general operating account, may be commingled with our general operating funds, and may be deemed an asset of ours, subject to our obligation to expend the monies in the Corporate Marketing Fund in accordance with the terms hereof. We may, in our sole discretion, elect to accumulate monies in the Corporate Marketing Fund for such periods of time, as we deem necessary or appropriate, with no obligation to expend all monies received in any fiscal year during that fiscal year. In the event our expenditures for the Corporate Marketing Fund in any one fiscal year shall exceed the total amount contributed to the Corporate Marketing Fund during such fiscal year, we shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Corporate

Marketing Fund or to use such excess as a credit against its future contributions. The parties do not intend that the Fund be deemed a trust.

7.2.5. We use Corporate Marketing Fund contributions to develop and prepare advertising which we distribute to System Franchisees for their placement in the local media. The advertising is prepared by us and by outside sources. If we do not spend all Corporate Marketing Fund contributions by the end of each fiscal year, the funds will be carried forward into the next fiscal year or used to fund the annual convention. There is no requirement that the Corporate Marketing Fund be audited. Upon your written request, we will provide you with an unaudited accounting of Corporate Marketing Fund expenditures.

7.2.6. We have the sole right to determine how to spend the Corporate Marketing Fund contributions, or funds from any other advertising program, and the sole authority to determine the selection of the advertising materials and programs, provided, however, that we will make a good faith effort to expend such funds in the general best interests of the System on a national or regional basis. We are not required, under the Franchise Agreement, to spend any amount of Corporate Marketing Fund contributions in your Territory and not all System Franchisees will benefit directly or on a pro rata basis from our expenditures. We have the right to reimbursement from the Corporate Marketing Fund for reasonable costs and overhead, if any, as we may incur in activities which are reasonably related to directing and implementing the Corporate Marketing Fund and advertising programs for Franchisees and the System, including costs of personnel for creating and implementing advertising, promotional and marketing programs.

7.3. Advertising Material Approval. Franchisees are permitted to produce or pay a third party to produce local advertising materials. Before these materials can be used, the Franchisee must submit all materials to Franchisor for approval. The Franchisor has fifteen (15) days from receipt of materials in which to provide written approval of the materials. If Franchisee receives no response after fifteen (15) days, the materials are deemed unapproved.

7.4. Market Setup Fee. Upon demand as part of onboarding, Franchisee shall pay Franchisor a Market Setup Fee of $8,500 for Franchisor's setup of various marketing platforms, accounts, profiles and similar items for Franchisee's Franchised Business, including business cards, brochures and other promotional material. Franchisor may retain a portion of the Market Setup Fee to cover its administrative expenses in providing these services and items. Franchisor may, in its sole discretion, require Franchisee to engage a third-party supplier for these services.

8. BUSINESS PREMISES

8.1. Business Office. Franchisee shall operate the Franchised Business from the Franchised Location, which shall be either the Franchisee's residence and storage unit or from a commercial office/light warehouse combination with sufficient storage space for work vehicles, tools, etc. Franchisor recommends that Franchisee commences operations from a home office and storage unit and further recommends that Franchisee considers to obtain a physical commercial office/light warehouse combination location for the Franchised Business only after Franchisee reaches $1,000,000 in Gross Sales. Franchisee is not required to lease a warehouse location. Franchisee shall manage and administer the business from the Franchised Location and shall maintain the books and records of the Franchised Business at the Franchised Location.

8.2. Opening. You must open your Franchised Business within ninety (90) days of the Effective Date of this Agreement. If you fail to open your Franchised Business within

ninety (90) days of the Effective Date of this Agreement, we may terminate this Agreement and you shall not receive any refunds.

8.3. Conditions to Opening. You may not initially open your Franchised Business to the public until you have completed all of your pre-opening obligations, and obtain our consent to you opening the business, including your opening date. Within 90 days after the Effective Date, but before commencing business, Franchisee must:

8.3.1. Fulfill all of the pre-opening obligations pursuant to other provisions of this Franchise Agreement;

8.3.2. Furnish Franchisor with copies of all insurance policies required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as Franchisor may request;

8.3.3. Complete initial training to the satisfaction of Franchisor;

8.3.4. Hire and train the personnel necessary or required for the operations of the Franchised Business;

8.3.5. Possess all required professional licenses and certifications, specifically you must be certified by the Institute of Inspection Cleaning and Restoration Certification ("IICRC") as a Water Damage Restoration Technician. We reserve the right to require you to be certified as an Applied Microbial Remediation Technician, Fire and Smoke Restoration Technician, and Applied Microbial Remediations Technician. See www.iicrc.org.

8.3.6. Obtain all necessary permits and licenses, including any zoning permits needed to operate the Franchised Business from the principal residence of the Franchisee or a commercial warehouse/office.

8.3.7. Each share certificate (or other certificate or shareholders/operating agreement reflecting an ownership interest within) shall have conspicuously endorsed on it a statement, in a form satisfactory to Franchisor, that the certificate is held subject to the transfer restrictions contained in the Franchise Agreement;

8.3.8. Pay in full all amounts due to the Franchisor.

8.4. Franchisee shall comply with these conditions and be prepared to open and continuously operate the Franchised Business within 90 days after the Effective Date. Franchisee shall not commence operations, however, until Franchisor has delivered written permission; Franchisor shall not unreasonably withhold permission to begin operations. Permission to open shall be based on Franchisor's determination that Franchisee is ready to open and is satisfactorily prepared to operate the Franchised Business.

8.5. Relocation. You may not move or relocate your Franchised Business without our prior written consent, which consent shall not be unreasonably withheld. Permission to relocate your Franchised Business outside of the Territory will not be granted unless if you encounter a situation personally or professionally that will not allow you to operate the Franchised Business in your Territory.

8.5.1. Upon receipt of our approval, you must upgrade the new location to comply with all of our current specifications and construct the new premises in the manner required under Section 9.1.

9. FRANCHISOR'S OBLIGATIONS/TRAINING

9.1. Location. We will provide you with consulting services to assist you in determining the evaluation criteria for selecting the site location for your Franchised Business.

We recommend that you commence operations from a home office and storage unit. We do not recommend that you consider to obtain a commercial office/light warehouse combination location for your Franchised Business until you have reach $1,000,000 in Gross Sales.

9.2. Hiring/Staffing Guidelines. We will provide you with general advice and recommendations and suggestions for hiring employees and operational instructions which you can use as part of training new employees. You acknowledge and agree that all hiring decisions and conditions of employment are Franchisee's sole and exclusive responsibility and that we have no direct or indirect authority to control any of the essential terms and conditions of your employees, including any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits, work hours and scheduling, assignment and supervision of duties, work rules and directions and grounds for discipline, hiring and discharge, and health and safety working conditions.

9.3. Initial Training. In exchange for the Initial Training Fee outlined below, we will provide an initial training program to educate and acquaint you with the business of operating a Franchised Business. We will provide initial training as reasonably scheduled with you after execution of this Agreement. The training program may be held at our headquarters and other locations and virtually online, as we designate. The training program will include instruction on basic operating skills and other topics we select. If you have more than one Franchise Agreement with us, we may, at our option, provide this training program one (1) time for multiple agreements. The person you designate as your principal operator (whether you, if you are an individual, or one of your owners if you are an entity) (the "Principal Operator") must participate in one of the next two (2) initial training programs we offer following our acceptance of this Agreement, and before you open your Franchised Business, and successfully complete the training program. If anyone other than a Principal Operator participates in the training program, we will require they sign a confidentiality agreement that meets our requirement before they may attend, and you must provide us a copy of that agreement. You will be responsible for travel costs, room and board, salaries, fringe benefits, and other expenses incurred by you and your employees in attending the training program. Failure by your Principal Operator to complete the training program to our satisfaction is a material breach of this Agreement and we may terminate this Agreement at our option.

9.4. Initial Training Fee. You must pay us a fee in the amount of $5,000 for up to two people to attend our initial training program (the "Initial Training Fee"). The Initial Training Fee must be paid before you or your Principal Operator attends the initial training program. This fee is fully earned when paid and is non-refundable under any circumstances. The Initial Training Fee covers initial training for two (2) people. For each additional person you wish to bring to initial training, you must pay us $150.

9.5. Additional Required Training. Each calendar year, we may require that you or your Principal Operator to attend at least one approved training program we offer at our corporate office or another location we designate in any region. You must pay our then-current fees applicable to the training program you select. Our current fee for these required additional training programs is $150 per day. In addition, you must pay all travel and living expenses you and your employees incur, and we reserve the right to charge a cancellation fee if you register and either fail to attend or leave the training prior to completion.

9.6. Annual Conference. You or your Principal Operator (if you are an entity) are required to register for, and annually attend our annual conference and pay us our then-current attendance fees. Additional representatives of yours may also attend the conference, as long as

you register them and pay us the then-current registration fee for their attendance. You must also pay for all travel and living expenses incurred by you and your representatives in attending the conference. If you fail to register for our annual conference, you must still pay us the then-current attendance fee upon demand.

9.7. Additional Training. We will make available additional training which we deem advisable to familiarize you on changes and updates in the System.

9.8. Manual. We will loan you one copy of the manual in which we describe the System operational policies, standards, requirements and practices (the "Manual"). The Manual may be loaned to you by providing you access to an electronic version of the Manual. The Manual contains mandatory and suggested specifications, standards and operating procedures that we have developed for Franchised Businesses and information relating to your other obligations. You will comply with and operate your Franchised Business in conformance with all mandatory provisions of the Manual. We have the right to revise the Manual at any time or add additional manuals. You will incorporate all revisions into the Manual, and at all times the Manual (including any additional manuals) will remain on the premises of your Franchised Business. You will not make copies of any portion of the Manual without our prior written consent. You acknowledge that the required provisions of the Manual are designed to protect our standards and systems and our Marks and to create a uniform customer experience, and not to control the day-to-day operation of your Franchised Business.

9.9. Ongoing Assistance. During the operation of your Franchised Business, we will make available to you from time to time all changes, improvements and additions to the System and all supplements and modifications to the Manual. If you encounter operating problems, or we detect through your reports or our inspection or audit of your records that you are having operating problems, we will assist you in solving these problems by providing you with general advice.

9.10. Nature of Assistance and Training. You agree that we are not obligated to provide any training or assistance to your particular level of satisfaction, but as a function of our experience, knowledge and judgment. You also acknowledge that we are not obligated to provide any services to you that are not set forth in this Agreement. If you believe we have failed to adequately provide any preopening services to you or to your Franchised Business, whether with respect to site selection, selection and purchase of equipment and supplies, training, or any other matter affecting the establishment of your Franchised Business, you must notify us in writing within thirty (30) days following the opening of your Franchised Business or you will be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by us were sufficient and satisfactory in your judgment, and complied with all representations made to you.

10. APPEARANCE AND OPERATION OF YOUR FRANCHISED BUSINESS

The Marks and System licensed to you represent valuable goodwill distinctive of our business and reputation. We will promulgate, from time to time, standards of quality and service regarding the business operations of franchised businesses so as to protect the distinction and goodwill represented and symbolized by the Marks and System. You must abide by those standards and the provisions set forth below unless otherwise authorized by us in writing.

10.1. Signs. You will prominently display, at your expense, both on the interior and exterior of your premises if you have a commercial office, signs in such form, color, number, location and size, and containing such Marks as we designate. We also may require you to use

illuminated signs. You will obtain all permits and licenses required for such signs and will also be responsible for ensuring that all signs comply with all laws and ordinances. You will not display in or upon your premises any sign or advertising of any kind to which we object. We reserve the right to require you to update your signage at any time at your expense. You must also wrap all vehicles used in the operation of your Franchised Business according to our then-current specifications, which we may change from time to time, and you are solely responsible for all costs associated with wrapping such vehicles. All branded vehicles must be approved by us before a purchase is made, to ensure brand standards are met.

10.2. Services. You will conform to all quality and customer service standards prescribed by us in the Manual, provided that the standards are not specifically set for you, but are set for our entire system, or a specific region or market in which other System businesses are operating.

10.3. Warranty. You will provide a lifetime warranty to customers on all water damage repair, restoration or remediation that you have performed. The terms of your warranty will comply with those we set forth from time to time in the Manual. Alternatively, we may, in our sole discretion, require that your warranty terms meet industry standards or as otherwise required by insurance companies.

10.4. Maintenance of Premises. You will paint and keep in an attractive, clean and sanitary condition the interior and exterior of your Franchised Business. All equipment will be kept in good working order and will meet our quality standards.

10.5. Approved Information System. We may designate the information system used in your Franchised Business, including the technology, computer hardware, software, other equipment and enhancements (the "Information System"). In such event, in connection with the approved Information System, you agree to the provisions set forth below.

10.5.1. You will be required to acquire the right to use the Information System, obtain peripheral equipment and accessories and operating computer systems and devices that are compatible with our Information System and arrange for installation, required maintenance and support services, and interfacing of your Information System with our accounting system, all at your cost.

10.5.2. You must purchase and install certain components of your Information System, including certain computer hardware and software and networking equipment, from us, our affiliate or other mandatory supplier or vendor. You must also pay us, our affiliate or other mandatory supplier or vendor for the shipping, taxes and installation of such components.

10.5.3. You must use our designated customer relationship management and job tracking software ("CRM"), claims estimating software, enterprise resource planning or accounting/bookkeeping software, and other designated software. You must pay us, our affiliate, or our designated vendor the then-current fee for access to the CRM, and you may be required to sign a license agreement in connection with the same.

10.5.4. We will have the right at all times to access the Information System and to retrieve, analyze, download and use all software, data and files stored or used on the Information System. We may access the Information System in your Franchised Business or from other locations. You will store all data and information on the Information System.

10.5.5. As upgrades to the hardware and/or software are developed, we may require you to obtain and install any or all of these upgrades. You are responsible for the cost of all upgrades, including any initial and/or ongoing license, support or service fees.

10.5.6. You must have e-mail and high-speed Internet access capabilities at your Franchised Business location and/or management location. We or our affiliate will provide you with an email address and inbox as part of the Information System. You must purchase any additional email addresses and inboxes you require from us or our affiliate.

10.5.7. You are solely responsible for protecting yourself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and you waive any and all claims you may have against us or our affiliates as the direct or indirect result of such disruptions, failures or attacks.

10.6. Billing and Payment Processing Services. We have the right to designate one or more approved vendors for billing and payment processing services. You must use the vendor that we designate (or one of the approved vendors if we designate more than one) for all your billing and payment processing. You must pay the designated vendor their customary charges for these billing and payment processing services, as well as their customary charges for all other ancillary services they provide.

10.7. Indemnification. You hereby release and agree to hold us and our affiliates, and our respective officers and directors, harmless from and against any and all claims, liability, damages, or causes of action of any nature arising from, or in connection with, the installation, maintenance, or operation of the Information System and its billing and payment processing, except to the extent arising from such party's gross negligence or intentional acts.

10.8. Technology Platforms. Except as described in the Manual or otherwise in writing, we reserve the sole right to advertise the System on the Internet or sell any products or services on the Internet or any mobile or electronic application (or any current or future form of electronic platform or communication). You must participate in any Internet website, home page, web pages, designated software such customer relationship management, claims estimation, enterprise resource planning, accounting or bookkeeping, or other software that we designate, and electronic mail, social media sites, applications, online platforms, and other current or future forms of electronic communications that we require (collectively the "Technology Platforms"), as described in the Manual or otherwise in writing. To the extent that you may control or access any Technology Platform, the Technology Platforms must be operated and maintained by you in compliance with all provisions of this Agreement, including those regarding the use of confidential and proprietary information, as well as any and all operating procedures, policies, standards and requirements as we may specify from time to time. You must maintain any Technology Platform you control or access in compliance with all applicable laws, rules, and regulations, including but not limited to those applicable to copyright and trademark, privacy, anti-defamation, and advertising and endorsements. You must submit all content for any Technology Platform to us for our prior written approval before using such content. You must pay us or our designee (which may be our affiliate) the then-current fees for the access to, modification of and maintenance of the Technology Platforms. We may modify, suspend, replace, discontinue or add to any Technology Platforms at any time, and you must comply with such changes at your expense. We retain sole ownership of the Technology Platforms, including any domains names, content, email addresses and information stored on the Technology Platforms. Your access to the Technology Platforms will automatically terminate upon expiration or termination of this Agreement. You hereby release and agree to hold us, our officers and directors, harmless from and against any and all claims, liability, damages, or causes of action of any nature, arising from, or in connection with, the creation,

operation, or maintenance of the Technology Platform, unless such liability arises out of our gross negligence or intentional acts.

10.9. Compliance with Our Standards. The Franchised Business must be operated by you or an owner or manager who has successfully completed the initial training program and any additional training or certification programs that we require from time to time. You will operate your Franchised Business through strict adherence to any mandatory standards, specifications and policies of the System as they exist from time to time, in order to ensure compliance with the quality standards of the System. You may offer from your Franchised Business only those products and services that we approve from time to time. We currently require you to offer restoration and remediation services and allow you to offer optional repair, remodel, and contents removal services. We have the right to add, change, or remove the products and services that we require or allow you to offer from your Franchised Business at any time, without limitation. You will at all times be responsible for the conduct of the day-to-day operation of your Franchised Business and for the terms of employment for your employees.

10.9.1. You acknowledge that the mandatory standards, specifications and policies we establish are not aimed at the day-to-day operation of your business, which will solely be within your control, but are merely intended to preserve the goodwill of the System and Marks.

10.9.2. Notwithstanding any requirements in the standards, specifications and policies of the System that require your Franchised Business to be open during the hours prescribed by us from time to time, in our sole discretion, in the Manual subject to applicable state laws.

10.9.3. We reserve the right to have someone conduct an inspection of your Franchised Business after you open. We will provide you a copy of the report at your request. If your Franchised Business does not receive a passing score from that visit, a new inspection will be conducted. This process will be repeated until you have received a passing score. At our option, you must pay us for a final inspection fee we establish for each failed inspection to defer any costs we incur in re-inspecting your Franchised Business after the first inspection. This fee will be payable in the manner we specify.

10.10. Best Efforts and Minimum Performance Criteria. Franchisee shall use its best efforts to promote and increase the sales and recognition of services offered through the Franchised Business. There are no minimum performance criteria during the first 12 months of operation. Beginning in the thirteenth (13^{th}) month of operation, the Franchised Business must achieve an average Gross Sales per month of at least thirty thousand dollars ($30,000) (calculated as total Gross Sales during the prior trailing six-month period divided by six (6)). Failure to maintain such average Gross Sales is a material breach of this Agreement and we may, in our sole discretion, either terminate this Agreement or modify your Territory.

10.11. Compliance with Laws. You will, at your expense, comply with all applicable local, state, federal and municipal laws, ordinances, rules and regulations pertaining to the operation of your Franchised Business, including, without limitation, any and all licensing and bonding requirements, health and safety regulations, labor and employment laws, and the Americans with Disabilities Act. You will, at your expense, consult an attorney to obtain advice with regard to compliance with all federal and state licensing laws and all other laws relating to the operation of your Franchised Business. Further, you will, at your expense, be exclusively responsible for determining the licenses and permits required by law for your Franchised Business, for filing, obtaining and qualifying for all such licenses and permits, and for maintaining all necessary licenses and permits throughout the term of this Agreement. You

must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us immediately of any suspected data breach at or in connection with the Franchised Business.

10.12. Payment of Liabilities. You will timely pay all of your obligations and liabilities, including, without limitation, those due and payable to us, and to your suppliers, lessors and creditors.

10.13. Taxes. You will promptly pay all federal, state and local taxes arising out of the operation of your Franchised Business. We will not be liable for these or any other taxes and you will indemnify us for any such taxes that may be assessed or levied against us which arise or result from your Franchised Business, including any taxes imposed by your state on any royalties or other amounts you are required to pay to us and our affiliates.

10.14. Personnel. You are responsible for recruiting, hiring and training employees and others to operate your Franchised Business.

10.14.1. The people you retain to work in your Franchised Business will be your agents and employees. They are not our agents or employees, and we are not a joint employer of those persons. It will be up to you to determine who to retain, how many people to retain (subject to any minimum staffing requirements we may prescribe), how you compensate these people, terms of employment and working conditions for your employees, when and how to discipline the people you hire, and when and how to terminate the people you hire. However, you are required at all times to comply with all applicable employment laws. We will not have any duty or obligation to operate your Franchised Business, to direct your employees, to schedule your employees, or to oversee your employment policies or practices.

10.14.2. You will designate an individual to serve as the Designated Manager of your Franchised Business. The Designated Manager will devote his/her best efforts to the supervision and conduct of the development and operation of your Franchised Business and, as required in this Agreement, will agree to personally be bound by confidentiality and non-competition provisions of this Agreement. The Designated Manager, and anyone owning a controlling interest in your Franchised Business if other than the Designated Manager, will complete our initial training requirements and will complete all additional training as we may reasonably designate.

10.14.3. We may offer training to your employees from time to time. We may require you to send your employees to training and require you to pay our then-current fees for providing that training. However, the fact that we may offer training to your employees does not relieve you from the primary responsibility to assure your employees are properly trained. You will be solely responsible for all wages, travel, and living expenses, and all other costs incurred by you and your employees in connection with any training or instruction that we provide.

10.15. Photographs. We will have the right to photograph and make video or digital recordings of your Franchised Business premises and your employees at all reasonable times. We will have the right to use all photographs and videos or digital recordings of your Franchised Business for such purposes as we deem appropriate, including, but not limited to, use in training, advertising, marketing and promotional materials, and as evidence in any court or arbitration proceeding, to the extent the consent of any of your employees or others is required for our use of these photographs and recordings for commercial purposes, you will use your best efforts to obtain these consents. Neither you nor your employees will be entitled to any

right to be compensated by us, our advertising agencies, or other Franchisees for any use of such photographs or recordings.

10.16. Ownership of Information. All of the information we or our affiliates obtain from you or about your Franchised Business, and all information in your records or ours concerning the members of your Franchised Business ("the Information") and all revenues we derive from the Information will be our property. However, you may at any time during the term of this Agreement use in the operation of your Franchised Business (but for no other purpose), to the extent lawful and at your sole risk and responsibility, any information that you acquire from third parties in operating your Franchised Business, such as customer data. The Information (except for information you provide to us or our affiliates with respect to you and your affiliates, including your respective officers, directors, shareholders, partners or equity members of your entity) will become our property which we may use for any reason as we deem necessary or appropriate in our discretion. You hereby authorize your payment processor to release the information to us at any time. Following termination or expiration of this Agreement, you will no longer use any of the Information, except to comply with your post-term obligations under this Agreement, and you authorize your payment processor to release the Information exclusively to us and/or our designees.

10.17. Manual. You will operate your Franchised Business in accordance with all mandatory provisions of the Manual. You will treat the Manual as confidential and will use all reasonable efforts to maintain the Manual as secret and confidential. You will use the Manual only in the operation of your Franchised Business. The Manual will remain our sole property. We may from time to time revise the contents of the Manual. You agree to comply with each new or changed standard. 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 will control. Any required specifications, standards and operating procedures described in the Manual or otherwise exist to protect our interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you.

10.18. Inspections, Audits, and Visits. We may audit your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Sales for any reported period or periods by more than 3% or unless you fail to deliver any required report of Gross Sales or any required financial statement in a timely manner, or fail to allow us access to your computers, accounting system and bank accounts as required by the Manual. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees, Corporate Marketing Fund Fees, Technology Fees, and other past-due amounts plus any late payment charges that the audit determines are owed. These payments will not prejudice any other remedies we may have under this Agreement or by law. Our right to audit will include the right to examine the books, tax returns and records of other businesses that you own or operate, in whole or in part, to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid.

A representative of ours may make visits to your Franchised Business to ensure compliance with all required standards, specifications and procedures. Our representative will be allowed to inspect the condition and operation of your Franchised Business and all areas of your Franchised Business at any time during your business hours. Such inspections may include, without limitation, conducting any type of audit or review necessary to evaluate your compliance with all required payments, standards, specifications or procedures. We may, from time to time, make suggestions and give mandatory instructions with respect to your operation of your Franchised Business, as we consider necessary or appropriate to ensure compliance with the then-current quality standards of the System and to protect the goodwill and image of the System. You expressly agree that these visits will not imply that you are in compliance with your obligations under this Agreement or under the law or that we waive our right to require strict compliance with the terms of this Agreement or the Manual. Furthermore, such visits will not create any responsibility or liability in our part. If you request that we make additional visits to your Franchised Business, you will pay the fees we establish for such visits. You will also allow us to visit your Franchised Business with prospective Franchisees during your business hours.

10.19. Notices of Default; Lawsuits or Other Claims. You will immediately notify us of and deliver to us a copy of any notice regarding, a breach, default, claim, lawsuit, administrative or agency proceedings or investigations, or other actions or proceedings relating to your Franchised Business. Upon request from us, you will provide such additional information as may be required by us regarding the same.

10.20. Your Dealings with Us and Our Affiliates. You acknowledge that when we are required to perform any services for you, we may use any third parties, including affiliates of ours, to perform those services. If you are required to pay us a fee for those services, we may have you pay that fee directly to the affiliate or third party that performs the service. However, if you are not required to pay us a fee for the service, you will not be obligated to pay any parties we contract with for services that we are required to provide to you without charge under this Agreement. We and our affiliates may also receive rebates or compensation from other parties in connection with the provision of such services.

10.21. Purchases. You will purchase only such types, models or brands of fixtures, furniture, equipment, inventory, supplies and other items that we approve for franchised businesses as meeting our standards for quality, design, warranties, appearance, function and performance. Although we do not do so for every item, we have the right to approve the manufacturer of any item used or sold in your Franchised Business. We may require you, in our sole discretion, to purchase certain fixtures, furniture, equipment, inventory, supplies, services, and other items used or offered at your Franchised Business from suppliers who have been approved by us, in which case we will provide you with a list of approved suppliers.

10.21.1. You acknowledge and agree that certain products, supplies or other services, including the Information System, you may be required to purchase for use in the operation of your Franchised Business may only be available exclusively from us or our affiliates, or from other mandatory suppliers or vendors that we approve, in our sole discretion.

10.21.2. THOUGH APPROVED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO FIXTURES, FURNITURE, EQUIPMENT (INCLUDING

WITHOUT LIMITATION ANY AND ALL REQUIRED COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS.

10.22. Taxes on Fees. If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you are required to pay an additional amount equal to the amount of this tax. (For purpose of clarification, this does not apply to any federal or state income taxes that we or our affiliates are required to pay.)

10.23. Exclusive Use. The rights and privileges granted to you under this Agreement are personal in nature and may not be used at any location other than the Franchised Location. You do not have the right to delegate, subfranchise, or sublicense any of your rights under this Agreement. Without our written consent, you may not use the Franchised Location for any purpose other than the operation of the Franchised Business.

11. CONFIDENTIAL INFORMATION/ IMPROVEMENTS

11.1. You acknowledge that all the information you have now or obtain in the future concerning the System and the concepts and methods of promotion franchised hereunder is derived from us pursuant to this Agreement, and that you will treat such information in confidence. You agree never to, directly or indirectly, engage in or abet the misappropriation (as the term "misappropriation" is defined in the North Carolina Uniform Trade Secrets Act), or the disclosure, divulgence, or distribution of all or any part of the System and the concepts and methods of promoting franchises hereunder. You will disclose such confidential information only to such of your employees as must have access to it in order to operate your Franchised Business and use it only for the operation of your Franchised Business. At our request, you will be required to deliver to us confidentiality agreements and non-compete agreements in a form satisfactory to us from your owners, the spouses of your owners, and your employees. The scope of the confidentiality agreements shall be consistent with the provisions of this Section, and the scope of the noncompete agreements shall be consistent with the provisions herein.

11.2. Notwithstanding any provision of Section 11.1, at your discretion, you may allow any financial institution that has loaned money to you or to your business to have access to your books and records to confirm your billings, collections, receivables, and any other financial information you have provided to the financial institution.

11.3. If you conceive or develop any improvements or additions to the System, new trade names, trade and service marks or other commercial symbols related to your Franchised Business, or any advertising and promotion ideas related to your Franchised Business ("Improvements"), you will fully disclose the Improvements to us without disclosure of the Improvements to others, and you will obtain our written approval before using such Improvements. Any such Improvement that we approve may be used by us and all our other Franchisees without any obligation to pay you royalties or similar fees. You will assign Improvements to us, and hereby do assign, without charge, any rights, together with the goodwill associated with the Improvements, including the right to grant sublicenses to any such Improvement. We, at our discretion, may make application for and own copyrights, trade names, trademarks and service marks relating to any such Improvement. We also may consider such Improvement as our property and trade secret. We will, however, authorize you to use any Improvement authorized generally for use by our other Franchisees.

11.4. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets in limited circumstances, as specified in the Manual.

12. INSURANCE; INDEMNIFICATION

12.1. Insurance. You alone will be responsible for any claim, action, loss, damage, liability, injury or death arising out of, or relating to, the operation of your Franchised Business or arising out of, or relating to, your acts or omissions or the acts or omissions of any of your agents, employees or contractors in connection with the operation of your Franchised Business. You agree to indemnify and hold us and our affiliates and our respective officers and directors harmless against and from any and all such claims, actions, losses, liability, damages, injuries, or deaths, including costs and reasonable attorneys' fees. You will obtain and maintain in force and pay the premiums for general liability insurance with complete operations coverage, broad form contractual liability coverage, property damage, and other insurance (including bonds) in such types as we may require (such as cyber insurance and employment practices insurance), or as required by law from time to time. All such policies will have minimum limits we may prescribe from time to time and will be with carriers who have minimum ratings that we may prescribe from time to time. Such insurance policies will expressly protect both you, us and our affiliates and our respective officers, directors and employees, and will require the insurer to defend both you and us in any action. You will submit to us, within thirty (30) days of our request, any and all loss ratios or other information we request in connection with such insurance policies. You will furnish to us copies of all insurance policies, certificates of insurance, endorsements, or other proof of insurance in the form we require, as set forth above, naming us as an additional insured, and providing that such policy will not be canceled, amended or modified except upon thirty (30) days' prior written notice to us. At our request, you will deliver to us proof of insurance in the form we require and evidence of policy renewals at least thirty (30) business days before expiration. You will have all policies of insurance provide that the insurance company will have no right of subrogation against either party hereto or their respective agents or employees. Maintenance of the insurance requirement will not relieve you of the obligations of indemnification. If you fail to obtain or maintain in force any insurance as required by this Section or to furnish any proof of insurance required hereunder, we may (but have no obligation to), in addition to all other available remedies, obtain such insurance or certificates, and you will promptly reimburse us for all insurance premiums and other costs incurred in obtaining such insurance, including an administrative fee for our time in obtaining the coverage for you. You assume all risks in connection with the adequacy of any insurance or self-insurance program and waive any claim against us for any liability costs or expenses arising out of any uninsured claim, in full or in part, of any nature whatsoever. Your obligation to obtain and maintain these insurance policies in the minimum amounts we require is not limited in any way by reason of any insurance that we may maintain, nor does your procurement of required insurance relieve you of liability under the indemnity obligations described in Section 12.2. Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations. We do not represent or warrant that any insurance that you are required to purchase will provide adequate coverage for you. The requirements of insurance specified in this Agreement are for our protection. You should consult with your insurance agents, brokers, attorney or other insurance advisors to determine the level of insurance protection you need in addition to the coverages and limits we require.

12.2. Relationship; Your Indemnification. We and you are independent contractors. Neither we nor you will make any agreements, representations, or warranties in the name of or on behalf of the other or that our relationship is other than Franchisor and Franchisee. Neither we nor you will be obligated by or have any liability under any agreements, representations or warranties made by the other nor will we be obligated for any damages to any person or property directly or indirectly arising out of the operation of your Franchised Business. You assume sole and complete responsibility for and will defend at your own cost and indemnify, reimburse and hold harmless us, our affiliates and our respective officers and directors from and against all loss, costs, expenses, obligations and damages and liabilities (including defense costs) arising directly or indirectly out of the development or operation of your Franchised Business, including, without limitation, claims relating to your employment practices, equipment selection, and floor plan, you or your employees' actions or inactions and amounts we pay on your behalf. You will have the right to defend any such claim against you. We, using our own counsel, by notice to you, may control any matter in which we are named or directly affected, but this will not affect your liability to pay all attorneys' fees we incur in defending ourselves, which obligation is part of your indemnification obligation. The indemnities and assumptions of liabilities and obligations set forth in this Agreement will continue in full force and effect subsequent to the expiration or termination of this Agreement.

12.3. Our Indemnification. We will indemnify you against and reimburse you for any obligations or liability for damages payable to third parties and attributable to agreements, representations or warranties made by us, or caused by our negligence or willful action (so long as such obligations or liabilities are not asserted on the basis of theories such as agency, apparent agency or vicarious liability or claim of negligent failure to compel your compliance with the provisions of this Agreement, the Manual or any other agreement between you and us), and for costs reasonably incurred by you in the defense of any such claim brought against you or in any action in which you are named as a party, provided that we will have the right to participate in and, to the extent we deem necessary, to control any litigation or proceeding which might result in liability of or expense to you subject to such indemnification.

13. FINANCIAL STATEMENTS AND AUDIT RIGHTS

13.1. Financial Statements. Within forty-five (45) days following your fiscal year end, you will, at your own expense, provide us with copies of your financial statements (reviewed by your accountant), including an income statement for the fiscal year just ended and a balance sheet, cash flow statement, and any other document accompanying your financial statements, as of the end of such fiscal year, which financial statements will have been prepared in accordance with generally accepted accounting principles applied on a consistent basis. We will also have the right to request other financial statements, reports and information from you during the year, and you will deliver those financial statements, reports and information to us when, and in the form and manner, we require. Also, on October 15 of each year or whenever you file your taxes, whichever occurs first, you shall provide us with a copy of your federal tax return.

13.2. Review Rights. You will make all of your financial books and records available to us and our designated representatives at all reasonable times for review. Your financial books and records for each fiscal and calendar year will be kept in a secure place and will be available for review by us for at least five (5) years after the end thereof.

14. ASSIGNMENT AND TRANSFER OF THE FRANCHISE AGREEMENT

14.1. By Us. We may transfer or assign this Agreement or any or all of the rights, interests, benefits or obligations arising under it without restriction. Upon any transfer or assignment of this Agreement by us, we will be released from all obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer or assignment.

14.2. Conditions to Your Transfer or Assignment. This Agreement, and your rights and obligations under it, are and will remain personal to you. As used in this Agreement, the term "Transfer" will mean any sale, lease, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by your disability or death or by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets used to operate your Franchised Business, or of any interest in you, or if you are a corporation, partnership, limited liability company or other entity, a transfer, pledge, assignment, or other disposition of direct or indirect control or ownership of twenty-five percent (25%) or more of any interest in your entity. In addition, if there are two (2) individuals signing this Agreement as Franchisee, and one (1) of those individuals is no longer involved in the ownership of your Franchised Business, the withdrawal of that person will be considered a "Transfer." A "Transfer" will also be deemed to occur when there are more than two (2) people listed as the Franchisee and there is a change in the ownership of your Franchised Business such that less than a majority of the original signers continue to have a majority interest in the equity of the business. You (and your shareholders, partners and members) will not directly or indirectly make a Transfer without our prior written consent and any transfer shall be subject to our right of first refusal, as set forth in Section 19 ("Right of First Refusal") below. Unless otherwise provided in this Agreement, we will not unreasonably withhold, delay or condition our consent to a Transfer, subject to all of the following conditions being satisfied:

14.2.1. you are in full compliance with this Agreement, you have no uncured defaults, and all your debts and financial obligations to us and our affiliates are current;

14.2.2. Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor, including its officers, directors, shareholders, Designated Managers, members, partners, owners, employees, and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to terminations of the Agreement or to the transfer of the Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law;

14.2.3. the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including reputation and credit rating, as Franchisor may require to demonstrate ability to conduct the Franchised Business;

14.2.4. the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the current franchise agreement being offered to new Franchisees, which may be substantially different from this Agreement, and may include a different Royalty Fee, Marketing Fund Contribution rates and other material provisions; the initial term of the

franchise agreement shall be the initial term provided for in the then-current franchise agreement, and all renewal terms shall be governed by the then-current franchise agreement, and the territory shall be the same as the territory granted pursuant to this Agreement;

14.2.5. the transferee has executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, Designated Managers, members, partners, owners, employees, and agents (in their corporate and individual capacities), with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;

14.2.6. Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise;

14.2.7. Franchisee, or the transferee, has paid to Franchisor a transfer fee equal to five thousand dollars ($5,000) plus all third-party broker fees that Franchisor may incur regarding the Transfer;

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

14.2.9. the transferee agrees that its Designated Manager shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 8.3 prior to assuming the management of the day-to-day operation of the Franchised Business; and

14.2.10. In the event of a transfer among a single Franchisee entity or group of purchasers comprising a single Franchisee, Franchisor reserves the right for the continuing Franchisee or owners to sign a new Franchise Agreement.

14.3. Additional Transfer Restrictions. We may expand upon, and provide more details related to, the conditions for transfer and our consent as described in this Section 14.2 and may do so in the Manual or otherwise in writing. You consent to our releasing to any proposed transferee any information concerning your Franchised Business that you have reported to us, or that is in our files or otherwise available to us, including but not limited to financial information. If a transfer or assignment is caused by your death or incapacity (including the death or incapacity of any person directly or indirectly owning fifty percent (50%) or more of an interest in the entity that is the Franchisee under this Agreement), the provisions of Section 14.2, above, must be met by the heir or personal representative succeeding to your interest; provided, however, if the heir or personal representative assigns, transfers, or sells its interest in the Franchise and in your Franchised Business within one hundred twenty (120) days after your death or incapacity, the transferee, and not the heir or personal representative, must comply with the provisions of this paragraph. Nothing in this Section 14 will be construed as prohibiting your interests from being pledged as security to an institutional lender who has provided financing to or for your Franchised Business, provided the institutional lender accepts such security interest subject to our conditions.

14.4. Acknowledgement of Restrictions. You acknowledge and agree that the restrictions imposed on transfers are reasonable and necessary to protect the goodwill associated with the System and the Marks, as well as our reputation and image, and are for the protection of us, you, and all other Franchisees that own and operate franchised businesses.

15. OUR TERMINATION RIGHTS

15.1. Automatic Termination. The Franchise Agreement will terminate automatically, without notice, if Franchisee becomes insolvent (meaning unable to pay bills in the ordinary course of business as they become due); if a receiver of Franchisee's property or any part thereof is appointed by a court; if Franchisee makes a general assignment for the benefit of its creditors; if a final judgment against Franchisee remains unsatisfied of record for 30 days or longer (unless *supersedeas* bond is filed); if execution is levied against Franchisee's business or property; or if a suit to foreclose any lien or mortgage against Franchisee's Franchised Location or equipment is instituted against Franchisee and not dismissed within 30 days or is not in the process of being dismissed.

15.2. Without Notice. You will be in default and we may, at our option, terminate this Agreement, without affording you any opportunity to cure the default, effective upon delivery of notice of termination to you, following the occurrence of any of the following events:

15.2.1. Franchisee fails to timely establish, equip and commence operations of the Franchised Business within the prescribed amount of time subsequent to the execution of this agreement;

15.2.2. Franchisee fails to have its Designated Manager satisfactorily complete the required training;

15.2.3. Franchisee fails to maintain all required professional licenses, permits and certifications for a period exceeding five business days;

15.2.4. Franchisee made any material misrepresentation or omission in its application for the Franchise or otherwise to Franchisor in the course of entering into this Agreement;

15.2.5. Franchisee is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of the Franchisor, Franchisee or the Franchised Business;

15.2.6. Franchisee, after notice to cure, fails to refrain from activities, behavior or conduct likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Business;

15.2.7. Franchisee discloses, duplicates or otherwise uses in an unauthorized manner any portion of the Manual, Trade Secrets or any other Confidential Information;

15.2.8. The Franchisee fails to obtain the nondisclosure and non-competition agreements from required persons upon the execution of this Agreement or prior to each such person's affiliation with the Franchised Business or fails to provide Franchisor with copies of signed nondisclosure and non-competition agreements;

15.2.9. Franchisee or any owner violates any applicable confidentiality or noncompete obligations or any employee violates any applicable confidentiality obligations, including, without limitation, improperly disclosing the Manuals or other Proprietary Information;

15.2.10. Franchisee abandons, fails or refuses to actively operate the Franchised Business for five (5) or more consecutive days (unless the Franchised Business has not been operational for a purpose approved by Franchisor);

15.2.11. Franchisee surrenders or transfers control of the operation of the Franchised Business without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the franchise or an ownership interest in Franchisee, or fails or refuses to assign the franchise or the interest in Franchisee of a deceased or incapacitated owner thereof as herein required;

15.2.12. Franchisee fails to maintain the Franchised Business under the primary supervision of a fully trained Designated Manager during the 180 days following the death or incapacity of Franchisee or any owner;

15.2.13. Franchisee submits to Franchisor on two or more occasions at any time during the term of the Franchise any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to Franchisor by more than 3% for any accounting period and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;

15.2.14. Franchisee misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;

15.2.15. Franchisee fails on two or more separate occasions within any period of 12 consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Marketing Fund Contribution, amounts due or other information or supporting records when due, to pay any other payment when due to Franchisor or any Affiliate, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee;

15.2.16. Franchisee violates on two or more occasions any health or safety law, ordinance or regulation, or operates the Franchised Business in a manner that presents a health or safety hazard to its customers, employees, or the public;

15.2.17. Franchisee fails to comply with any provision of this Agreement three or more times in a 12-month period, whether or not cured; or

15.2.18. Franchisee defaults under any other agreement between Franchisor (or any Affiliate) and Franchisee, such that Franchisor shall have the right to terminate this Agreement, if Franchisee fails to cure during the requisite cure period after receiving notice. Termination shall be effective upon delivery of notice of termination.

15.3. With Notice and Failure to Cure. Except for those defaults provided for under Section 15.1 above, you will be in default hereunder for any failure to maintain or comply with any of the terms, covenants, specifications, standards, procedures or requirements imposed by this Agreement or any other agreement you or any of your affiliates have with us or with any of our affiliates, or in any Manual, policy or procedure statement or other written document provided by us, or to carry out the terms of this Agreement in good faith. Before we terminate this Agreement as a result of such defaults, we will provide you with thirty (30) days written notice of your default. If the defaults specified in such notice are not cured within the thirty (30) day period (either by you or by any financial institution that has loaned money to you or to your business), we may terminate this Agreement upon the expiration of the thirty (30) day period without further notice. Such defaults will include, without limitation, the occurrence of any of the following events:

15.3.1. You fail to commence operating your Franchised Business within the time provided for in Section 8.2 of this Agreement;

15.3.2. You fail, refuse, or neglect to promptly pay when due any monies owing to us, our affiliates, to the National Marketing Fund, or to other creditors you have, or to submit the financial or other information required under this Agreement;

15.3.3. A threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Business;

15.3.4. You sell non-approved products or services; or

15.3.5. You, by act or omission in connection with the operation of your Franchised Business, permit a continuing violation of any applicable law, ordinance, rule, or regulation of a governmental body; provided, however, that if such act or omission damages the goodwill associated with the System or the Marks, we will have the right to terminate this Agreement if you do not cure such default within twenty-four (24) hours after notice from us.

15.4. Applicable Law. If the provisions of this Section 15 are inconsistent with applicable law, the applicable law will apply.

15.5. Pre-termination Options. Prior to the termination of this Agreement, if you fail to pay any amounts owed to us or our affiliates, fail to comply with any term of this Agreement, or notify us that your Franchised Business is closing, then in addition to our right to terminate this Agreement or to bring a claim for damages, we have the option to:

15.5.1. Prohibit you from selling products and services;

15.5.2. Remove the listing of your Franchised Business from all advertising published or approved by us;

15.5.3. Cease listing your Franchised Business on any Technology Platforms;

15.5.4. Prohibit you from attending any meetings or programs held or sponsored by us;

15.5.5. Terminate your access to any Technology Platform, computer system, or software we own, maintain, or license to you or otherwise provide you access to and/or use of (whether licensed by us or by one of our affiliates);

15.5.6. Suspend all services we or our affiliates provide to you under this Agreement or otherwise; and/or

15.5.7. Contact your landlord(s), lender(s), suppliers and customers regarding the status of your operations, and provide copies of any default or other notices to your landlord(s), lender(s) and suppliers.

15.6. Our Continuing Rights. Our actions, as outlined in Section 15, may continue until you have brought your accounts current, cured any default, and complied with our requirements, and we have acknowledged the same in writing. The taking of any of the actions permitted in this Section will not suspend or release you from any obligation that would otherwise be owed to us or our affiliates under the terms of this Agreement or otherwise. Further, you acknowledge that the taking of any or all such actions on our part will not deprive you of the most essential benefits of this Agreement, and will not constitute a constructive termination of this Agreement.

15.7. We shall not terminate this Franchise Agreement without cause.

16. YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted to you under this Agreement will terminate, the franchise will revert to us, you specifically authorize us to contact your payment processor and cancel any agreement you may have with that payment processor, and you will have the obligations set forth below, which obligations survive the expiration or termination of this Agreement, along with any other provisions of this Agreement which by their nature may or are to be performed following expiration or termination of this Agreement:

16.1. You will immediately cease to operate the business franchised under this Agreement, and will not thereafter, directly or indirectly, represent to the public or hold yourself out as a Franchisee of the System with respect to such business.

16.2. You will immediately and permanently cease to use, in any manner whatsoever, all confidential information, approved Information System and related software, methods, procedures and techniques used by or associated with the System, and the Marks and distinctive forms, slogans, signs, symbols, logos and devices associated with the System, as well as any name, mark, symbol, logo or slogan similar to any of the Marks. You will also specifically authorize us to physically remove any signage bearing any of the Marks that you may fail to remove. Further, if we elect to remove such signage, you will, upon demand, reimburse us for any costs we incur in doing so.

16.3. You will immediately return to us the Manual, all copies or excerpts thereof, and any property held or used by you that is owned by us and will cease to use, and either destroy or convey to us, all signs, advertising materials, displays, stationery, forms and any other materials that bear or display the Marks.

16.4. You will take such actions as may be necessary to cancel any assumed name or similar registration that contains the Mark "RestoPros®" or any other Mark, and will immediately and permanently refrain from and cease all use of the Mark "RestoPros" or any other Mark on or in any Technology Platforms and cancel any Technology Platform you control as we direct. You agree and acknowledge that your continued use of the Marks after the expiration or termination of this Agreement will be without our consent and will constitute an "exceptional case" under federal trademark law (15 U.S.C. § 1117) entitling us to recover treble damages, costs and attorneys' fees.

16.5. You will, within ten (10) days after termination or expiration of this Agreement, make such modifications and alterations to your Franchised Business premises as may be necessary to distinguish the appearance of the premises from all attributes of the System and will make such specific additional changes thereto as we may request. You agree that, at a minimum, such modifications will include: (i) removal of all signage; (ii) alteration of the color scheme and decor; and (iii) discontinuation of the use of any item containing any of the Marks.

16.6. Within five (5) days after termination, you will pay to us all amounts owed to us under this Agreement, including the Royalty Fees and advertising and marketing fees that would be due through the date this Agreement was scheduled to expire. Further, if this Agreement is terminated for any reason other than as a result of a material breach of this Agreement by us that is not cured within thirty (30) days following notice from you, such sums will include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of the default and the termination. You agree that until such obligations are paid in full, you hereby grant us a lien against any and all of the personal property, furnishings, equipment, signs, fixtures and inventory owned by you and located on your Franchised Business premises on the date this Agreement terminates or expires and authorize us to file financing statements and other documents we deem appropriate to perfect such lien.

16.7. If requested by us, you will take all further action and execute all documents necessary to convey and assign to us all telephone and fax numbers that have been used in the operation of your Franchised Business, as well as any other registrations or listings for any Technology Platforms that include the Marks or if we do not so request, you will cease all use of such telephone numbers and Technology Platforms that include the Marks.

16.8. You will comply with the covenants contained in this Agreement, including, but not limited to, the covenants not to compete and the covenants not to disclose trade secrets or confidential information.

16.9. We may, if you fail or refuse to do so, execute in your name and on your behalf, any and all actions and/or documents that may be necessary to effect your obligations under Sections 16.4 and 16.7, and you hereby irrevocably appoint us as your attorney in fact to do so, which appointment is coupled with an interest.

16.10. You will furnish us with written evidence satisfactory to us of compliance with all the obligations set forth in this Section 16 within thirty (30) days after termination or expiration of this Agreement.

16.11. Upon expiration or termination of this Agreement, we have the option, upon thirty (30) days' written notice from the date of expiration or termination, to purchase from you all or any portion of the tangible and intangible assets relating to the Franchised Business, including your Franchised Business premises if you own the Franchised Business premises (excluding any unsalable inventory, cash, short-term investments and accounts receivable) (collectively, the "Purchased Assets") and to an assignment of your lease for (1) the Franchised Business premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (2) any other tangible leased assets used in operating the Franchised Business. We may assign to a third party this option to purchase and assignment of leases separate and apart from the remainder of this Agreement.

16.11.1. The purchase price for the assets of the Franchised Business will be the "Book Value" (as defined below) of the Purchased Assets. "Book Value" means the net book value of the Purchased Assets, as disclosed in the last statement of your Franchised Business provided to us under Section 13 before termination or expiration, provided, however, that: (1) each depreciable asset will be valued on a "straight-line" basis without provision for salvage value; (2) we may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (3) we may exclude from Book Value any provision for goodwill or similar value attributable to intangible property. If we are not satisfied with the accuracy or fairness of any financial statements, or none has been submitted, our regularly employed firm of certified public accountants will determine (by audit) the Book Value. We and you will equally bear the cost of the audit. The results of the audit will be final and binding on both parties.

16.11.2. The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur no later than sixty (60) days after we deliver notice of our election to purchase the assets of your Franchised Business, unless Book Value is determined by audit, in which case the closing will occur within a reasonable time, not to exceed sixty (60) days, after the results of the audit are made available. At the closing, you will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to us or our designee and such other documents we may reasonably request to permit us to operate your Franchised Business without interruption. We may set off against and reduce the purchase price by all amounts you owe to us or any of our affiliates. If we exercise our option to purchase your Franchised Business, we may, pending the closing, appoint a Designated Manager to maintain your Franchised Business operations.

16.11.3. If we assume any leases for the premises for your Franchised Business or if we assume the leases for other tangible leased assets used in your Franchised Business under this Section, you will pay, remove or satisfy any liens or other encumbrances on your leasehold interests and will pay in full all amounts due the lessor under the leases existing at or prior to assumption. We are not liable for any obligation you incur before the date we assume any leases.

17. YOUR COVENANTS NOT TO COMPETE

17.1. During Term. You will not, directly or indirectly, during the term of this Agreement, on your own account or as an employee, consultant, partner, officer, director, shareholder or member of any other person, firm, entity, partnership, corporation or company, own, operate, lease to or lease from, franchise, engage in, be connected with, have any interest in, or assist any person or entity engaged in owning, operating, or managing any other restoration or remediation business, wherever located, whether within the Territory or elsewhere. Notwithstanding the foregoing, before you open your Franchised Business (and so long as you do not own any other franchised business that is open under any other agreement with us), you may be employed at another RestoPros that is operated at a site other than the one at which your Franchised Business will be located, provided that (i) neither you nor any of your immediate family owns any equity interest in that business and (ii) you terminate your employment with that business, and any other relationship you have with that business, prior to the date you open your Franchised Business.

17.2. After Expiration, Termination, or Transfer. You will not, directly or indirectly for a period of two (2) years after the transfer by you, or the expiration or termination of this Agreement, on your own account or as an employee, consultant, partner, officer, director, shareholder, lender, or joint venturer of any other person, firm, entity, partnership, corporation or company, own, operate, lease to or lease from, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any restoration or remediation business, which is located within the Territory or within a twenty (20) mile radius of any RestoPros business, whether owned by us, our affiliates, or a Franchisee, wherever located, whether within the Territory or elsewhere.

17.3. Reasonableness. You agree that the scope of the prohibitions set forth in Sections 17.1 and 17.2 are reasonable and necessary to protect us and the System (including other Franchisees of the System). You agree that the prohibitions in Section 17.1 must be very broad in order to prevent you from taking information, materials and training we are providing to you on an ongoing basis and using them to either compete with us, or preempt or otherwise restrict our ability to enter new markets. You agree that the time period and the scope of the prohibitions set forth in Section 17.2 are the reasonable and necessary time and distance needed to protect us if this Agreement expires or is terminated for any reason. You also agree that you have many other opportunities available to earn a living, and that these restrictions will not preclude you from engaging in a lawful trade or business for which you otherwise have training or experience.

17.4. Exception. The purchase of a publicly traded security of a corporation engaged in a competitive business or service will not in itself be deemed violative of this Section 17 so long as you do not own, directly or indirectly, more than five percent (5%) of the securities of such corporation.

17.5. Relief. You agree that damages alone cannot adequately compensate us if there is a violation of these noncompetitive covenants and that injunctive relief is essential for our protection. You therefore agree that in case of your alleged breach or violation of this Section, we may seek injunctive relief, in addition to all other remedies that may be available to us at equity or law. You agree that we are not required to show any actual or threatened harm and that we are not required to furnish a bond or other security. In addition, if you violate the

restriction provided for in Section 17, the period of time during which the restriction will remain in effect and be extended until two (2) years after you cease violating the restriction.

18. ENFORCEMENT

18.1. Injunctive Relief/Attorneys' Fees. We and you will each be entitled to the entry of temporary restraining orders and temporary and permanent injunctions to (i) enforce your and our rights to terminate this Agreement for the causes set forth in Sections 15 and 16 of this Agreement and (ii) prevent or remedy a breach of this Agreement if that breach could materially impair the goodwill associated with our or your business, including but not limited to, the enforcement of obligations upon termination of this Agreement and the enforcement of the non-compete provisions of this Agreement. You and we will also be entitled to the entry of temporary restraining orders and temporary and permanent injunctions enforcing these provisions. If we are successful in obtaining an injunction, or any other judicial relief or order from an arbitrator against you, or in successfully defending any claim you have brought against us, you will pay us an amount equal to all of our costs of prosecuting and/or defending the action, including reasonable attorneys' fees, costs of investigation, court and arbitration costs, and other litigation or arbitration expenses and interest on such costs. Your and our respective rights to obtain injunctive or other equitable relief is in addition to any other right we or you may have under this Agreement. It will in no way limit or prohibit us from obtaining money damages from you if you breach this Agreement.

18.2. Internal Dispute Resolution. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's President and/or Chief Executive Officer, in person, after providing notice as stated in Section 18.5 below. Franchisee must exhaust this internal dispute resolution procedure before it may bring its dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

18.3. Mediation. Except where it is necessary for either you or us to obtain equitable relief to preserve the goodwill of our respective businesses (including, but not limited to, the enforcement of obligations upon termination of this Agreement and the covenants not to compete contained in this Agreement), you and we each agree to enter into mediation of all disputes involving this Agreement or any other aspect of the relationship between us, for a minimum of four (4) hours, prior to initiating any legal action or arbitration against the other.

18.3.1. Upon written notice by either you or us, to the other, of your or our desire to mediate, the party receiving the notice will select an independent entity that provides mediation services to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not name such an organization within ten (10) days from the date the notice of intention to mediate is received, then the other party may proceed as if this Section 18.3 did not exist, or, at its option, make the selection of the organization to provide mediation services. If you or we select an organization that is unwilling to serve as mediator, then the other party may select the organization. Once the organization is designated and agrees to accept the appointment as mediator, the organization will be directed to schedule a mediation proceeding at a time mutually convenient to us and to you. The mediation will be held within thirty (30) days following receipt by the mediation organization of notification that its services are requested. If you and we cannot agree on a date for mediation, then the mediation organization will select a date it believes is reasonable for both of us, given all the claimed conflicts in dates. The mediator must have at least ten (10) years of experience as either a Franchisee or Franchisor

(or as an officer of such an entity) or in franchise law. You and we will equally share the cost of the mediator. The mediator will select the location for the mediation unless you and we both agree otherwise. The mediation will be held in Charlotte, North Carolina.

18.3.2. Except for the matters identified above where you or we are permitted to seek injunctive relief without first mediating the dispute, if either party initiates litigation or arbitration without complying with their obligation to mediate in accordance with this paragraph (unless the other party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the provisions of this Section 18.3), then upon petition of whichever of us has a lawsuit or arbitration proceeding brought against us, the court or arbitrator will dismiss the litigation or arbitration without prejudice, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to the attorneys' fees and costs the party seeking dismissal incurred. If the court or arbitrator refuses for any reason to dismiss the action, then regardless of the outcome of the action, or of any award given in the action, the party initiating the litigation or arbitration will be responsible for all attorneys' fees and costs incurred throughout the litigation or arbitration by the other party as damages for failing to comply with the provisions of this Section 18.3.

18.4. Arbitration. Except insofar as you or we elect to enforce this Agreement by judicial process and injunction as provided in Section 18.1 hereof, all disputes and claims arising out of or relating to this Agreement, or to the breach thereof, or to any of our standards or operating procedures, or other obligation of either of yours or ours, or to the breach thereof (including any claim that this Agreement, any provision of this Agreement, any specification, standard, operating procedure or any other obligation of yours or ours is illegal, unenforceable or voidable), or any aspect of the relationship between you and us (even if additional persons are named as parties to such action, but except as may be specifically provided with respect to any financing agreements you have with us or our affiliates, which shall be governed by the enforcement provisions thereof), must be resolved by arbitration in the city in which our principal office is located. Our principal office is currently located in Charlotte, North Carolina. It is our intention that state laws attempting to void out of state forum selection clauses for arbitration be preempted by the Federal Arbitration Act and that arbitration be held in the place designated above. If Franchisee does not submit to mediation after Franchisor requests mediation, then Franchisor may skip mediation and proceed directly with arbitration.

18.4.1. The arbitration will be held in accordance with the United States Arbitration Act (9 U.S.C. § 1 et seq.), if applicable, and the rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise agreements, if any; otherwise, the general rules of commercial arbitration).

18.4.2. The arbitrator appointed must have at least ten (10) years' experience in franchising or franchise law, and the arbitrator will be instructed that he or she must follow the substantive law and the other requirements, waivers, and limitations of this Agreement. The arbitrator shall have no authority to add, delete or modify in any manner the terms and provisions of this Agreement. All findings, judgments, decisions, and awards of the arbitrator will be limited to the dispute or controversy set forth in the written demand for arbitration and response to that demand. The arbitrator may not award any relief that was not specifically requested by the parties prior to the start of the arbitration hearing. The arbitrator will have the right to award or include in any award the specific performance of this Agreement but will be required to file a reasoned brief with his or her award.

18.4.3. You and we acknowledge that judgment upon an arbitration order may be entered in any court of competent jurisdiction and will be binding, final, and non-appealable, except for mistakes of law, as permitted under the United States Arbitration Act or for failure of the arbitrator to meet the requirements of this Section.

18.4.4. Unless this Agreement is terminated in accordance with the provisions of Paragraphs 15 or 16, during the pendency of any arbitration proceeding, you and we will fully perform the requirements of this Agreement.

18.4.5. If there is any dispute as to whether a particular claim or matter is subject to arbitration, and the matter relates to an issue for which either party seeks an injunction in accordance with the provisions of Section 18.1, the arbitrability of such claim will be determined by the court that would otherwise hear the motion to issue the injunction. In the case of a dispute as to the arbitrability of any other claim brought by either party against the other, the decision as to whether the claim is subject to arbitration will be made by the arbitrator appointed in accordance with this Agreement.

18.4.6. All arbitration proceedings will be individual proceedings between you and us and will not be conducted on a "class" basis or include any other of our Franchisees as named parties unless you and we each agree.

18.4.7. If, after either you or we institute an arbitration proceeding, one or the other asserts a claim, counterclaim or defense, the subject matter of which, under statute or current judicial decision, is non-arbitrable for public policy reasons, the party against whom the claim, counterclaim or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims or defenses or proceed to litigate all claims, counterclaims or defenses in a court having competent jurisdiction.

18.5. Prior Notice of Claims. As a condition precedent to commencing an action against Franchisor for damages or for violation or breach of this Agreement, Franchisee must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

18.6. Waiver of Punitive Damages. We and you (and your owners and guarantors if applicable) agree to waive, to the fullest extent permitted by law, any right to, or claim for, any punitive or exemplary damages against the other and against any affiliates, owners, employees, or agents of the other and agree that in the event of a dispute between us, each of us will be limited to the recovery of any actual damages sustained by it.

18.7. Venue. We and you (and your owners and guarantors if applicable) each agree that if litigation is permitted under this Agreement, the sole and exclusive forum for any litigation arising under this Agreement or any aspect of the relationship between us (even if additional parties are named as parties to that litigation) will be the state or federal courts in Charlotte, North Carolina. You and we each waive any objection you or we may have to either the jurisdiction or the venue of such court (except to the extent jurisdiction is preempted by the arbitration provisions of this Agreement), and you and we each consent to personal jurisdiction and venue in such court. However, if we are permitted to seek injunctive relief under this Agreement, we may, at our option, bring that action in the county in which your Franchised Business is located.

18.8. Jury Waiver. YOU AND WE EACH WAIVE THE RIGHT TO A TRIAL BY JURY. This waiver applies to all causes of action that are or might be included in any such action, including claims related to the enforcement or interpretation of this Agreement, allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of

action and it applies even if persons that are not a party to this Agreement are named as additional parties in the proceeding.

18.9. Waiver of Collateral Estoppel. The parties agree they should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which they are involved with third parties, without having those disputes directly affect the contract or relationship between us. We and you therefore each agree that a decision of an arbitrator or court of law to which one of us is not a party will not prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any action between us. You and we therefore each waive the right to assert that principles of collateral estoppel prevent either you or us from raising any claim or defense in an action between us if either you or we lost a similar claim or defense in another action.

18.10. No Affiliate Liability. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of ours or of any of our affiliates will have any liability for (i) any obligations or liabilities we have relating to or arising from this Agreement, or (ii) any claim against us based on, in respect of, or by reason of, the transactions contemplated in this Agreement. This provision will not, however, affect any right, duty or obligation of ours or yours, or of any guarantor of your obligations.

19. RIGHT OF FIRST REFUSAL

If, at any time during the Term of this Agreement, you receive a bona fide offer to purchase or lease your Franchised Business (or if you are a company, partnership or other entity, the equity ownership of you), which offer you are willing to accept, you will communicate in writing to us the full terms of the offer and the name of the offeror. We may elect to purchase or lease the business on the terms set forth in the offer. If we elect to purchase or lease the business, we will give you written notice of the election within forty-five (45) days after we receive your communication of the offer. If we fail to give written notice of election within forty-five (45) days, you may sell or lease to the offeror on the terms offered, subject to the provisions relating to assignment. The sale or lease must, however, be completed within sixty (60) days of the termination of the forty-five (45) day period during which we may give written notice of election to purchase or lease; otherwise, an additional notice must be given to us, and an additional option period must expire prior to any such transfer. If we elect to purchase or lease the business, we will have the right to substitute equivalent cash for any non-cash consideration included in the bona fide offer to purchase or lease the business and we and you will use our best efforts to complete the purchase or lease within sixty (60) days from the date of our notice of election to purchase or lease.

20. MISCELLANEOUS

20.1. Severability. All provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. You and we will substitute a valid and enforceable provision for any specification, standard, operating procedure, rule, or other obligation of either of us, which is determined to be invalid or unenforceable and is not waived by the other party. Such

modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

20.2. Cumulative Rights. Except as otherwise set forth in this Agreement, our and your rights under this Agreement are cumulative and no exercise or enforcement of any right or remedy under this Agreement will preclude the exercise or enforcement of any other right or remedy under this Agreement or which we or you are entitled by law to enforce.

20.3. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.) and the Federal Arbitration Act, this Agreement and the franchise relationship will be governed by the laws of the State of North Carolina. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any state relating to franchises or business opportunities, other than those of the state in which your Franchised Business is located.

20.4. Disavowal of Oral Representations. You and we acknowledge that we want all terms of our business relationship to be defined in this written agreement, and that neither of us wants to enter into a business relationship with the other in which any terms or obligations are subject to any oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations as set forth in this Agreement. Therefore, you and we agree that this Agreement will supersede and cancel any prior and/or contemporaneous discussions between us. We each agree that we placed, and will place, no reliance on any such discussions. You agree that no representations have been made to you concerning this Agreement or the System other than as contained in this Agreement and in the Franchise Disclosure Document you received before you signed this Agreement (the "FDD"). You agree that no claims, representations or warrantees of earnings, sales, profits, or success of your Franchised Business have been made to you other than as set forth in Item 19 of the FDD.

20.5. Approvals. Wherever our consent or approval is required in this Agreement, unless the provision specifically indicates otherwise, we have the right to withhold our approval in our discretion, for any reason, or for no reason. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable. Our approvals and consents will not be effective unless given in writing.

20.6. Interpretation. It is the desire and intent of you and us that the provisions of this Agreement be enforced to the fullest extent possible under the applicable laws and public policies. Therefore, if any provision of this Agreement is determined by a court or arbitrator to be invalid or unenforceable, that determination will apply only to the operation of that provision in the particular proceeding in which the determination is made. We and you agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision will have the meaning that renders it valid and enforceable. The language of all provisions of this Agreement will be construed simply according to its fair meaning and not strictly against you or us.

20.7. Waiver. Except as otherwise provided in this Section, neither of us will be deemed to have waived any obligation of the other, or to have agreed to any modification of this Agreement, unless we have done so in writing, and the writing is signed by the person giving the waiver or agreeing to the modification. However, you agree that you will give us immediate written notice of any claimed breach or violation of this Agreement as soon as

possible after you have knowledge, or determine, or are of the opinion, that there has been a breach or violation by us of this Agreement. If you fail to give written notice to us of any claimed misrepresentation, violation of law, or breach of this Agreement within one (1) year from the date you have knowledge, determine, are of the opinion, or become aware of facts and circumstances reasonably indicating, that you may have a claim against us or against any of our affiliates under any state law, federal law, or common law, then the misrepresentation, violation of law, or breach will be considered to have been condoned, approved and waived by you, and you will be barred from beginning any legal, arbitration, or other action against us or against our affiliates, or from instituting any counterclaim against us or our affiliates, for the misrepresentation, violation of law, or breach, or from using the alleged act or omission as a defense to any action we may maintain against you.

20.8. Time. Time is of the essence to this Agreement.

20.9. Counterparts. This Agreement may be signed in counterparts, each of which will be considered as an original.

20.10. Entire Agreement. The preambles are a part of this Agreement. This Agreement, together with its exhibits, constitutes the entire agreement between you and us with respect to your Franchised Business and any other aspect of the relationship we have with you, and cannot be amended except by a written agreement signed by you and us. This Agreement also supersedes all prior agreements and negotiations we have had with you related to your acquisition of this franchise or your and our rights and obligations. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made to you in the FDD.

20.11. Headings and Terms. The headings of the Sections hereof are for convenience only and do not define, limit, or construe the contents of such Sections. The term "you" as used herein is applicable to one or more persons, a corporation, a partnership or limited liability company, and each of their respective owners, as the case may be, and the singular usage includes the plural, and the masculine and neuter usages include the other and the feminine. If more than one person executes this Agreement for you, then your obligations are joint and several.

20.12. Patriot Act. You represent and warrant that to your actual and constructive knowledge: (i) neither you (including your directors, officers and Designated Managers), nor any of your affiliates, or any funding source for your Franchised Business, are identified on the list at the United States Treasury's Office of Foreign Assets Control (OFAC); (ii) neither you nor any of your affiliates are directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither you nor any of your affiliates are acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither you nor any of your affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S. Department of State's Debarred Lists, or on the U.S. Department of Treasury's Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the Lists); (v) neither you nor any of your affiliates, during the term of this Agreement, will be on any of the Lists; and (vi) during the term of this Agreement, neither you nor any of your affiliates will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. You

agree to notify us in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

20.13. Personal Guaranty. All of your owners (if you are a corporation, partnership, limited liability company or partnership, or other entity) will sign the personal guaranty agreement in the form attached to this Agreement (the "Guaranty Agreement"). Any person or entity that at any time after the Effective Date of this Agreement becomes an owner of yours will, as a condition of becoming an owner, sign the Guaranty Agreement. In addition, a spouse of an owner and any other person we designate must also sign the Guaranty Agreement.

21. NOTICES

Any and all notices required or permitted under this Agreement will be in writing and will be deemed to have been duly given upon the earlier of (i) when received; (ii) one (1) business day after placement with a reputable national carrier such as FedEx or UPS; or (iii) three (3) business days after deposit (not including the day of deposit), if placed in the mail for delivery by certified mail, postage pre-paid, and, in the cases of clauses (ii) or (iii), addressed to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to us: RestoPros Franchising, LLC
14301 South Lakes Drive, Suite E
Charlotte, NC 28273Attn: Legal Department

Notice to You: See Rider

22. ACKNOWLEDGEMENTS

22.1. Independent Investigation. You acknowledge that you have conducted an independent investigation of the business franchised under this Agreement, and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon your ability as an independent businessperson.

22.2. Franchise Agreement. You acknowledge that you have received, read, and understood this Agreement and that we have fully and adequately explained the provisions of it to your satisfaction and that we have accorded you time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement.

22.3. Other Franchises. You acknowledge that other Franchisees of the System have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement. You also acknowledge that because complete and detailed uniformity under varying circumstances may not be practical, there may be variations we grant to our other locations (whether franchised, or centers that we or our affiliates operate), and you will not be entitled to require us to grant similar variations or privileges to you.

22.4. **Prohibited Parties Clause**. You acknowledge that we, our employees and our agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-Terrorism Financing

Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, you represent that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;

2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;

3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or

4. the Annex to U.S. Executive Order 13224.

You warrant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. You warrant that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us were legally obtained in compliance with these laws.

You further covenant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, will, during the term of this Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

THIS AGREEMENT CONTINUES WITH THE FOLLOWING EXHIBITS, WHICH ARE A PART OF THIS AGREEMENT:

EXHIBIT A-1: FRANCHISE AGREEMENT RIDER
EXHIBIT A-2: PERSONAL GUARANTY
EXHIBIT A-3: OWNER PERSONAL COVENANTS REGARDING CONFIDENTIALITY AND COMPETITION
EXHIBIT A-4: SAMPLE GENERAL RELEASE
EXHIBIT A-5: ACH Authorization

EXHIBIT A-1 TO THE FRANCHISE AGREEMENT

FRANCHISE AGREEMENT RIDER

Franchisee: _____

1. Effective Date: _____

2. Franchisee's Authorized Business Trade Name:

   RestoPros of _____

3. Number of Territories Granted: _____

4. Initial Franchise Fee: _____

5. Franchised Location:

_____
_____
_____

If no location has been determined at the time this Franchise Agreement has been executed, then the Franchised Location shall be within the following area, provided the exact location(s) shall be subject to our review and approval:

_____.

If the above-named location specifies a location yet to be determined, we reserve the right to sell franchises, and grant territories to others who will operate franchised businesses in and around the above-described location. You may then be required to choose a final location outside of any territory given to any other Franchisee, and that territory may be outside of the city or areas identified above. Should this happen, you would have to obtain our review and approval for a new location. Likewise, if you choose to move your final address at any time, or if the location set forth above, or any other location we agree upon, becomes unavailable for any reason, it is your obligation to select a new location, and to obtain our approval of that location before you acquire the site, or obtain any rights in the location.

6. Territory(-ies) Description:

_____
_____
_____
_____

7. Ownership: If you are signing as an Entity, Franchisee represents and warrants that the initial ownership set forth below is accurate, and that no changes will be made in such ownership without the prior written approval of Franchisor:

Name	Percentage of Ownership
_____	_____
_____	_____
_____	_____

8. Designated Manager: _____

9. Address for notice to you: _____
_____

IN WITNESS WHEREOF, we and you have signed this Agreement as of the Effective Date set forth above.

FRANCHISOR:
RestoPros Franchising, LLC

_____

By: _____

Its: _____

FRANCHISEE:

_____

By: _____

Its: _____

_____

By: _____

Its: _____

EXHIBIT A-2 TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

In consideration of the execution of the Franchise Agreement (the "Agreement") between (RestoPros Franchising, LLC) ("we" or "us") and _____ (the "Franchisee"), dated _____, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Franchisee, including without limitation the dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of the Agreement.

The undersigned waive (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the Franchisee or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Franchisee.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the Franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (3) this Personal Guaranty will apply in all modifications to the Agreement of any nature agreed to by Franchisee with or without the undersigned receiving notice thereof.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

PERSONAL GUARANTORS:

_____	_____
Print: _____	Print: _____
Address: _____	Address: _____
_____	_____
Phone: _____	Phone: _____

EXHIBIT A-3 TO THE FRANCHISE AGREEMENT

OWNER PERSONAL COVENANTS REGARDING CONFIDENTIALITY AND COMPETITION

In conjunction with your ownership in _____ ("Franchisee") a _____ [limited liability company, etc.], you ("Owner" or "you"), acknowledge and agree as follows for the benefit of **RESTOPROS FRANCHISING , LLC** (the "Franchisor"):

Franchisee owns and operates, or is developing, a RestoPros™ franchise located at, or to be located at, _____ pursuant to a franchise agreement dated _____ ("Franchise Agreement") with the Franchisor, which Franchise Agreement requires persons with legal or beneficial ownership interests in Franchisee under certain circumstances to be personally bound by the confidentiality and non-competition covenants contained in the Franchise Agreement. All capitalized terms contained in this Agreement shall have the same meaning set forth in the Franchise Agreement.

The Franchisor is the franchisor of the RestoPros™ franchise system and owns proprietary ideas and other Confidential Information related to the ownership and operation of "RestoPros" businesses that promote, advertise, and provide restoration and remediation services under the RestoPros™ Marks and System.

If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal or beneficial interest in you ("Owners") must also sign this Agreement. You own or intend to own the percentage legal or beneficial ownership interest in Franchisee, set forth beneath your signature below, and acknowledge and agree that your signing of this Agreement is a condition to this ownership interest and that you have received good and valuable consideration for signing this Agreement. Franchisor may enforce this Agreement directly against you and your Owners.

THEREFORE, in consideration of the mutual promises and covenants, the parties agree as follows:

1 PROTECTION OF CONFIDENTIALITY

1.1 **The Franchisor's Exclusive Property**. You acknowledge and agree that all Confidential Information is and shall continue to be the Franchisor's sole and exclusive property, whether or not disclosed or entrusted to you in connection with your relationship with Franchisee or the Franchisor. Nothing in this Agreement will give you or others any right, title, or interest whatsoever in or to them. The Confidential Information shall be considered the Franchisor's trade secrets and shall be entitled to all protections provided by applicable law to trade secrets. The Confidential Information shall include information in any form in which such information exists, whether oral, written, digital, or other form of media.

1.2 **Safeguard of Confidential Information**. You agree to exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure. You agree to accord to the Confidential Information the same degree of care and use the same confidentiality protection practices as you exercise or employ with respect to your confidential or proprietary information. This includes obligating employees and consultants who receive Confidential Information to covenants of confidentiality and non-use.

1.3 **Notice**. You agree that if you or your Owners, employees and agents are served with any subpoena or other compulsory judicial or administrative process calling for production of Confidential Information, you will immediately notify Franchisee and the Franchisor in order that the Franchisor may take such action as it deems necessary to protect its interests. You agree to execute any and all documents and to do all acts and things in the opinion of the Franchisor's legal counsel are necessary or advisable to protect its interests.

1.4 **Competition and Non-Circumvention**. During the term of the Franchise Agreement and during the time that you and your Owners, if any, have any legal or beneficial ownership interest in Franchisee, neither you nor your Owners, directors, officers, employees, consultants, distributors, or agents, nor the members of your or their immediate families or households (who have access to or knowledge of the Confidential Information), will directly or indirectly participate as an owner, shareholder, member, partner, director, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business (including business in formation) or endeavor engaged or to be engaged in any activities related to or in direct or indirect competition with the concepts and activities of the System.

You agree to promptly and fully disclose to Franchisee and the Franchisor's chief officer any opportunity coming to your attention, or conceived or developed in whole or in part by you, which relates to or competes with the System. You will assure that you and your owners, directors, officers, partners, shareholders, members, employees, consultants, and agents, do not do or perform, directly or indirectly, any other act injurious or prejudicial to the System or the Confidential Information.

For a period of 730 days, starting on the earlier to occur of the date you or Owners cease to have any legal or beneficial ownership interest in Franchisee and the effective date of termination or expiration (without renewal) of the Franchise Agreement, neither you nor your Owners, directors, or officers, nor the members of your or their immediate families or households (who have access to or knowledge of the Confidential Information), will directly or indirectly participate as an owner, shareholder, member, partner, director, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business (including business in formation) or endeavor engaged or to be engaged in any activities related to or in direct or indirect competition with the concepts and activities of the System within a radius of 25 miles of any RestoPros™ outlet or territory then in operation or under construction without obtaining the Franchisor's consent, which consent may be withheld for any reason. If you or any of your Owners fail to or refuse to abide by any of the foregoing covenants and Franchisor obtains enforcement in a judicial proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two years after the date of the order enforcing the covenant.

You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity to exploit these skills in other ways, so that enforcement of the covenants contained in this Agreement will not deprive any of you of your personal goodwill or ability to earn a living.

The duration, geographic coverage and scope allowable by law or court of law will apply to this Agreement. If, for any reason, any provision set forth in this Agreement is determined to exceed any lawful scope or limit as to duration, geographic coverage, or otherwise, but could be rendered enforceable by reducing any part or all of it, it is agreed that the provision will nevertheless be binding and enforceable to the fullest extent permissible by applicable and public policy. If a court of competent jurisdiction should decline to enforce any of those covenants and agreements, the parties request the court to reform these provisions to restrict your use of confidential information, non-solicitation, ability to compete with the Franchisor or circumvent the Franchisor in respect to the System, and any other covered topics to the maximum extent, in time, scope of activities, and geography, the court finds enforceable under applicable law.

2. COVENANT OF NON-DISCLOSURE You specifically acknowledge that as a result of owning or investing in Franchisee, you will receive or gain access to valuable and specialized Confidential Information, including information regarding the Franchisor's operational, sales, promotional and marketing methods and techniques and the System. You agree not to disclose Confidential Information to any third party and to limit disclosure within your association to designated employees approved by the Franchisor. Disclosures to designated employees will be done on a "need to know" basis to the extent necessary for them to perform the duties of their employment with you. Unless required by court order or applicable law, you agree not to copy, download, send, or divulge any Confidential Information directly or indirectly to any other person or enterprise outside of the Franchisor's system. You will never communicate, divulge, or use in any manner, either for your benefit or the benefit or any other person, persons, partnerships, associations, companies or corporations any Confidential Information or proprietary information, knowledge or know-how or any information the Franchisor has communicated to Franchisee or to you in written, verbal or electronic form, including intranet passwords, for the operation of your business.

3 COVENANT OF NON-USE You and your Owners agree not to use Confidential Information, except as authorized by the Franchisor. You will obligate your Owners, board of directors, your employees, and your agents to the same non-use covenant. The Franchisor must approve in writing any use of Confidential Information by you or your owners or your directors or employees.

4 RETURN OF CONFIDENTIAL INFORMATION. You agree that all originals and copies of materials related to or containing any Confidential Information, in whatever form they exist, whether written, digital, or other form of media, shall be the Franchisor's sole and exclusive property. If you or your Owners cease to have an interest in Franchisee or upon request by the Franchisor, you will promptly return to the Franchisor or its designated representatives all documents or other tangible property that contains Confidential Information that is in your or your Owners' possession or control.

5 REMEDIES: INJUNCTION AND DAMAGES. You acknowledge that any disclosure of Confidential Information will cause irreparable harm to the Franchisor and the System. You agree that it may be difficult to measure damage to the Franchisor or the System from any breach by you or your employees and agents of this Agreement. You agree that monetary damages may be an inadequate remedy for any such breach. Accordingly, you agree that if you breach or take steps preliminary to breaching this Agreement, the Franchisor shall be entitled, in addition to all other remedies the Franchisor may have at law or in equity, to a restraining order, temporary and permanent injunctive relief, specific performance, or other appropriate equitable relief, without showing or proving that the Franchisor actually sustained any damage. If the Franchisor files a claim to enforce this Agreement and prevails in this proceeding, you must reimburse the Franchisor for all its costs and expenses, including reasonable attorneys' fees.

6 MISCELLANEOUS

6.1 **Duration**. The obligations set forth in this Agreement will continue during and beyond the term of your relationship with Franchisee and the Franchisor and for as long as you possess Confidential Information.

6.2 **Construction**. This Agreement does not supersede or cancel any prior understandings and agreements you and your Owner had with respect to these matters, including any provision of thee Franchise Agreement previously entered into pertaining to confidentiality. This Agreement benefits and binds the respective heirs, executors, administrators, successors, and assigns of the parties.

6.3 **Acknowledgments**. No person has made any other representation that is not expressly set forth in this Agreement to induce you to accept and execute this Agreement. You recognize that the business venture contemplated by the Franchise Agreement involves business risks. This Agreement creates no obligation to purchase, sell, develop, research, or disclose anything. It grants no license. It creates no agency or partnership.

7. SIGNATURES

IN WITNESS WHEREOF, the undersigned have signed this Agreement on the date first above written.

OWNERS

If an individual	If a corporation, partnership, limited liability company or other legal entity
	_____ (Name of corporation, partnership, limited liability company or other legal entity)
By: _____ Print Name: _____ Title: _____ Date: _____ % Ownership of Franchisee: _____	By: _____ Print Name: _____ Title: _____ Date: _____ % Ownership of Franchisee: _____
By: _____ Print Name: _____ Title: _____ Date: _____	By: _____ Print Name: _____ Title: _____ Date: _____

EXHIBIT A-4 TO THE FRANCHISE AGREEMENT

SAMPLE GENERAL RELEASE

In consideration of the agreement of (RestoPros Franchising, LLC) ("Franchisor") to allow _____ ("Franchisee") to [RENEW OR TRANSFER] its Franchise Agreement dated _____ between Franchisee and Franchisor ("Agreement"), Franchisee hereby releases and forever discharges Franchisor, and its affiliates, as well as their members, directors, officers, employees and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors and assigns, from any and all claims Franchisee may have against such parties known and unknown, foreseen and unforeseen, from the beginning of time to the date hereof, whether in law or in equity, including, but not limited to, any claims arising out of the offer or sale of any franchise to Franchisee, and any matters arising under the Agreement or under any other agreement between Franchisee and Franchisor or its affiliates. [FOR TRANSFERS: Further, Franchisee acknowledges that transfer of the Agreement shall terminate Franchisee's interest in the Agreement, but Franchisee will continue to be bound by all post-termination provisions of the Agreement, including but not limited to the obligations of confidentiality, and the covenant not to compete contained in the Agreement.]

[IN CALIFORNIA: The foregoing release is intended as a general release of all claims, demands, actions, causes of action, obligations, damages and liabilities of any kind or nature whatsoever that relate to the matters recited therein, and is intended to encompass all known and unknown, foreseen and unforeseen claims which the releasing party may have against any party being released. Section 1542 of the California Civil Code provides:

> 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 might have materially affected his settlement with the debtor.

You expressly waive the provisions of Section 1542 of the California Civil Code and expressly release each party to be released from all liability or claims arising out of any matters recited in the release.]

FRANCHISEE:

_____

By: _____

Its: _____

EXHIBIT A-5 TO THE FRANCHISE AGREEMENT

ACH AUTHORIZATION

ACH AUTHORIZATION

Authorization Agreement for Preauthorized Payments (ACH Debits)

Company Name:	**Tax ID No.**:
I hereby authorize RestoPros Franchising, LLC, hereinafter called "RestoPros," to initiate entries from my [ ] Checking [ ] Savings Account (check one) indicated below, and I authorize the depository named below, hereinafter called "Depository," to debit the same to such account.	
Depository Name:	**City**:
State:	**Zip Code**:
ABA Routing Number:	**Account Number**:
This authority is to remain in full force and effect until RestoPros has received notification from me of its termination in such time and in such manner as to afford RestoPros and Depository a reasonable opportunity to act on it.	
Printed Name:	**Title**:
Signature:	**Date**:

EXHIBIT B
TO FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

THESE APRIL 30, 2024 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.

RestoPros Franchising

Balance Sheet Summary

As of April 30, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	398,659.56
Accounts Receivable	95,500.00
Other Current Assets	293,952.98
Total Current Assets	**$788,112.54**
Fixed Assets	95,388.33
Other Assets	5,756,689.21
TOTAL ASSETS	**$6,640,190.08**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	77,538.21
Credit Cards	33,178.16
Other Current Liabilities	84,950.55
Total Current Liabilities	**$195,666.92**
Long-Term Liabilities	6,198,970.58
Total Liabilities	**$6,394,637.50**
Equity	245,552.58
TOTAL LIABILITIES AND EQUITY	**$6,640,190.08**

RestoPros Franchising

Profit and Loss

January - April, 2024

	TOTAL
Income	**$3,676,906.27**
GROSS PROFIT	**$3,676,906.27**
Expenses	
33333 Vehicle Expense	1,299.50
66000 Payroll Expenses	2,377.50
Advertising & Marketing	83,389.08
Bank Charges & Fees	1,344.28
Car & Truck	15,962.52
Conferences	20,697.00
Consultant and Brokerage Fees	2,069,825.51
Dues & subscriptions	53,076.18
Employee Relations	97.60
Insurance	9,980.64
Job Supplies	574.92
Legal & Professional Services	23,212.79
Meals & Entertainment	17,185.92
Office Supplies & Software	15,490.03
Payroll Overhead	285,215.20
Postage	494.61
Rent & Lease	9,847.00
Repairs & Maintenance	-2,238.06
Royaltiy Expense	68,478.55
Taxes & Licenses	3,027.74
Technology Expenses	52,754.55
Training	1,744.20
Travel	70,849.06
Uncategorized Expense	7,635.04
Uniforms	4,664.12
Website Hosting	7,892.03
Total Expenses	**$2,824,877.51**
NET OPERATING INCOME	**$852,028.76**
Other Income	**$703.66**
Other Expenses	
Owner's Expense	136,284.28
Total Other Expenses	**$136,284.28**
NET OTHER INCOME	**$ -135,580.62**
NET INCOME	**$716,448.14**

RESTOPROS FRANCHISING, LLC

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

RESTOPROS FRANCHISING, LLC
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Bernard Robinson & Company, L.L.P.

Independent Auditor's Report

To Members of
RestoPros Franchising, LLC
Charlotte, North Carolina

Opinion

We have audited the accompanying financial statements of RestoPros Franchising, LLC (a limited liability company) which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, changes in member's equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RestoPros Franchising, LLC as of December 31, 2023 and 2022, and its results of operations and its 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of RestoPros Franchising, LLC 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 RestoPros Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are 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 auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, 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 RestoPros Franchising, LLC'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 RestoPros Franchising, LLC'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.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
April 29, 2024

RESTOPROS FRANCHISING, LLC
Balance Sheets
December 31, 2023 and 2022

Assets

	2023	2022
Current Assets:		
Cash	**$ 392,042**	$ 42,775
Accounts receivable	**526,545**	92,500
Prepaid broker fees, current	**620,471**	170,600
Prepaid expenses	**11,950**	-
Total Current Assets	**1,551,008**	305,875
Property and equipment, net	**25,027**	-
Other Assets:		
Related party receivables	**37,532**	1,228
Other assets	**14,897**	-
Prepaid broker fees, less current portion	**5,108,973**	1,428,450
	5,161,402	1,429,678
Total Assets	**$ 6,737,437**	$ 1,735,553

Liabilities and Member's Deficit

Liabilities:		
Accounts payable	**$ 596,038**	$ 108,380
Related party payables	**72,454**	147,148
Deferred franchise revenues, current	**708,035**	194,000
Total Current Liabilities	**1,376,527**	449,528
Deferred franchise revenues, less current portion	**5,830,935**	1,624,083
	5,830,935	1,624,083
Total Liabilities	**7,207,462**	2,073,611
Member's Deficit:		
Member's deficit	**(470,025)**	(338,058)
Total Member's Deficit	**(470,025)**	(338,058)
Total Liabilities Member's Deficit	**$ 6,737,437**	$ 1,735,553

See Notes to Financial Statements

RESTOPROS FRANCHISING, LLC
Statements of Income
For the Years Ended December 31, 2023 and 2022

	2023	2022
Franchise Revenues:		
Initial franchise fees	**$ 609,465**	$ 107,917
Royalty fees	**1,192,211**	216,634
Marketing fees	**416,438**	90,000
	2,218,114	414,551
Product sales	**-**	279,529
Cost of sales	**-**	255,855
Gross profit	**-**	23,674
Net revenues	**2,218,114**	438,225
Operating expenses:		
Advertising and promotions	**246,706**	105,614
Professional fees	**138,121**	51,407
Salaries and wages	**638,774**	328,709
Employee relations	**25,150**	-
Consultant and brokerage fees	**549,680**	254,742
Dues and subscriptions	**57,773**	28,458
Travel, meals and entertainment	**187,886**	90,990
Depreciation	**1,788**	-
Conference expenses	**84,403**	25,900
Royalty expense	**93,834**	9,997
Taxes and licenses	**733**	5,475
Rent expense	**6,000**	7,496
Repairs and maintenance	**13,590**	-
Vehicle expense	**20,584**	11,339
Miscellaneous expense	**24,680**	17,988
	2,089,702	938,115
Other (income) expenses:		
Interest income	**-**	(985)
Interest expense	**1,119**	1,243
Rebate income	**(21,046)**	(73,661)
Other income	**(75,000)**	-
	(94,927)	(73,403)
Net income (loss)	**$ 223,339**	$ (426,487)

See Notes to Financial Statements

RESTOPROS FRANCHISING, LLC
Statements of Changes in Member's Equity (Deficit)
For the Years Ended December 31, 2023 and 2022

Member's equity, January 1, 2022	$ 28,595
Contributions	99,175
Distributions	(39,341)
Net loss	(426,487)
Member's deficit, December 31, 2022	(338,058)
Distributions	**(355,306)**
Net income	**223,339**
Member's deficit, December 31, 2023	**$ (470,025)**

See Notes to Financial Statements

RESTOPROS FRANCHISING, LLC
Statements of Cash Flow
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Net income (loss)	**$ 223,339**	$ (426,487)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	**1,788**	-
(Increase) decrease in:		
Accounts receivable	**(434,045)**	(87,191)
Prepaid broker fees and other expenses	**(4,142,344)**	(1,251,258)
Inventory	**-**	6,175
Increase (decrease) in:		
Accounts payable	**487,658**	77,419
Deferred franchise revenues	**4,720,887**	1,422,083
Net cash provided by (used in) operating activities	**857,283**	(259,259)
Cash flows from investing activities:		
Purchases of property and equipment	**(26,815)**	-
Purchase of intangibles	**(14,897)**	-
(Borrowings) advances from related parties	**(110,998)**	171,990
Net cash provided by (used in) investing activities	**(152,710)**	171,990
Cash flows from financing activities:		
Payments on long-term debt	**-**	(5,861)
Member distributions	**(355,306)**	(39,341)
Member contributions	**-**	15,625
Net cash used in financing activities	**(355,306)**	(29,577)
Net increase (decrease) in cash	**349,267**	(116,846)
Cash, beginning of year	**42,775**	159,621
Cash, end of year	**$ 392,042**	$ 42,775
Supplemental disclosure of noncash investing and financing activities:		
Long-term debt paid off by member	**$ -**	$ 83,550

See Notes to Financial Statements

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

RestoPros, LLC (the "Company") was incorporated on August 5, 2019 in the state of North Carolina, for the purpose of filing its initial franchise disclosure document and selling RestoPros franchises.

The Company provides franchisees with the right to own and operate a restoration service to bring dependable, timely, and professional restoration services to the American public. The Company is a limited liability company ("LLC") which will continue in existence subject to the terms and conditions of its Operating Agreement. The obligations of the member are limited to its capital contribution.

A summary of the Company's significant accounting policies follows:

Basis of Preparation

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard

On January 1, 2023, the Company adopted the requirements of Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses (Topic 326). This ASU, along with related ASUs issued subsequently, revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected.

The Company does not expect Topic 326 to have a significant impact on its financial condition or results of operations on an ongoing basis.

Cash and Cash Equivalents

The Company includes all financial instruments which are not subject to withdrawal restrictions or penalties with a maturity of three months or less as cash and cash equivalents.

Accounts Receivables

Accounts receivable are recorded at the total unpaid balance, net of allowance for credit losses. The Company determines past-due status of individual accounts receivable based on the original billing date and does not charge interest. The Company estimates its allowance for credit losses based on a combination of factors, including the Company's knowledge of the current composition of receivables, historical losses, existing economic conditions and reasonable and supportable forecasts about the future ability to collect on the receivables. Accounts receivable that management believes to be ultimately not collectible are written off upon such determination. Based on management's assessment, it has concluded there is no allowance for credit losses necessary as of December 31, 2023 and 2022.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Expenditures for assets less than $5,000 and expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Major renewals and betterments in excess of $5,000 are capitalized. Depreciation is provided on the straight-line method over the assets estimated useful lives.

Revenue Recognition

An initial nonrefundable franchise fee is paid to the Company upon sale of a franchise. Revenue from the sale of an individual franchise is recognized in the period the sale is consummated and when all performance obligations have been substantially provided by the Company. Management has determined that pre-opening services and the license agreement have been combined into a single performance obligation.

For performance obligations related to the initial nonrefundable franchise fee, management has determined that control transfers to the franchisee over the term of the franchise agreement (10 years). The Company transfers control and recognizes revenue from the nonrefundable franchise fees ratably over the life of the agreement.

To license the use of the Company's brand, each franchisee enters into a franchise agreement that includes a royalty fee (7% of weekly gross sales) and a corporate marketing fund fee (1% of monthly gross sales). These royalty and corporate marketing fund fees are recognized in the period in which they are earned. Management has determined that, as a practical expedient, the Company has a right to the royalty and corporate marketing fund fee from the franchisee as daily performance obligations have been completed pursuant to the Franchise Agreement. Revenue is recognized on the basis of when the franchise generates gross receipts at which point the royalty and corporate marketing fund fees are due and payable.

Contract Assets and Liabilities

Contract assets consist of prepaid broker commissions resulting from initial franchise fees, which are generally recognized on a straight-line basis over the term of the underlying agreement. Contract liabilities consist of deferred revenue resulting from initial franchise fees, which are generally recognized on a straight-line basis over the term of the underlying agreement.

Advertising Costs

The Company expenses advertising costs as incurred.

Income Tax Status

For income tax purposes, the Company has elected to be taxed as a partnership. Accordingly, no provision for income tax is reflected in the financial statements, as it is the responsibility of the members to report their respective share of income and other tax attributes on their individual income tax returns.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status (Continued)

It is the Company's policy to evaluate all tax positions to identify those that may be considered uncertain. All identified material tax positions will be assessed and measured by a more-likely-than-not threshold to determine if the benefit of any uncertain tax position should be recognized in the financial statements. Any changes in the amount of a tax position will be recognized in the period the change occurs. No material uncertain tax positions were identified for 2023 and 2022.

Use of Estimates

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

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through April 29, 2024, which is the date the financial statements were available to be issued.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2023	2022
Vehicle	**$ 26,815**	$ -
Less accumulated depreciation	**(1,788)**	-
	$ 25,027	$ -

NOTE 3 - RELATED PARTY TRANSACTIONS

During the ordinary course of business, the Company enters into certain transactions with related parties, owned by the managing member, primarily related to short term advances and cost reimbursements. The Company had related party transactions recorded in the financial statements in the following amounts as of December 31:

	2023	2022
Accounts Receivable:		
RestoPros, LLC	**$ -**	$ 1,228
B. Rugged Brands	**10,287**	-
B12 Land Management	**14,500**	-
RestoPros Leasing	**12,745**	-
	$ 37,532	$ 1,228
Accounts Payable:		
RestoPros, LLC	**$ 72,454**	$ 147,148

NOTE 4 - DEFERRED INITIAL FRANCHISE FEES AND COSTS

In accordance with ASC 606, initial franchise fees received and the costs directly related to that fee are recorded as revenues and expenses when management has determined that all performance obligations have been satisfactorily completed. Fees received and the direct costs incurred prior to the recognition of the revenue and expense, are recorded as deferred income and deferred expenses until the satisfaction of those performance obligations has occurred which is generally recognized on a straight-line basis over the term of the underlying agreements.

Deferred income and expenses at December 31 are as follows:

	2023	2022
Deferred franchise fees	**$ 6,538,970**	$ 1,818,083
Prepaid broker fees	**$ 5,729,444**	$ 1,599,050

NOTE 5 - CONCENTRATIONS OF CREDIT RISK

The Company maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation. Deposit accounts, at times, may exceed federally insured limits.

NOTE 6 - SUBSEQUENT EVENT

Subsequent to year end, the Company entered into a lease agreement for office space. The terms of the agreement state monthly payments of $17,632 plus estimated CAM charges of $1,923 are required and increase 2.5% annually. The lease term runs from May 2024 through April 2029 with one 5-year extension. Total lease expense is expected to offset by sublease income from related parties owned by the Company's member.

RESTOPROS FRANCHISING, LLC

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 and 2021

RESTOPROS FRANCHISING, LLC
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Bernard Robinson & Company, L.L.P.

Independent Auditor's Report

To Members of
RestoPros Franchising, LLC
Charlotte, North Carolina

Opinion

We have audited the accompanying financial statements of RestoPros Franchising, LLC (a limited liability company) which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, changes in member's equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RestoPros Franchising, LLC as of December 31, 2022 and 2021, and its results of operations and its 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of RestoPros Franchising, LLC 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 RestoPros Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are 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 auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, 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 RestoPros Franchising, LLC'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 RestoPros Franchising, LLC'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.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
May 18, 2023

RESTOPROS FRANCHISING, LLC
Balance Sheets
December 31, 2022 and 2021

Assets

	2022	2021
Current Assets:		
Cash	**$ 42,775**	$ 159,621
Accounts receivable, net of allowance	**92,500**	5,309
Prepaid broker fees, current	**170,600**	36,000
Inventory	**-**	6,175
Total Current Assets	**305,875**	207,105
Other Assets:		
Related party receivables	**1,228**	26,070
Prepaid broker fees, less current portion	**1,428,450**	311,792
	1,429,678	337,862
Total Assets	**$ 1,735,553**	$ 544,967

Liabilities and Member's Equity (Deficit)

Liabilities:		
Accounts payable	**$ 108,380**	$ 30,961
Related party payables	**147,148**	-
Long-term debt, current	**-**	14,335
Deferred franchise revenues, current	**194,000**	41,000
Total Current Liabilities	**449,528**	86,296
Deferred franchise revenues, less current portion	**1,624,083**	355,000
Long-term debt, less current portion	**-**	75,076
	1,624,083	430,076.00
Total Liabilities	**2,073,611**	516,372
Member's Equity (Deficit):		
Member's equity (deficit)	**(338,058)**	28,595
Total Member's Equity (Deficit)	**(338,058)**	28,595
Total Liabilities and Members' Equity (Deficit)	**$ 1,735,553**	$ 544,967

See Notes to Financial Statements

RESTOPROS FRANCHISING, LLC
Statements of Income
For the Years Ended December 31, 2022 and 2021

	2022	2021
Franchise Revenues:		
Initial franchise fee	**$ 107,917**	$ 14,000
Marketing fee	**90,000**	-
Royalty revenue	**216,634**	61,157
	414,551	75,157
Product sales	**279,529**	124,140
Cost of sales	**255,855**	114,487
Gross profit	**23,674**	9,653
Net revenues	**438,225**	84,810
Operating expenses:		
Advertising and promotions	**105,614**	16,039
Professional fees	**51,407**	16,761
Salaries and wages	**328,709**	-
Consultant and brokerage fees	**254,742**	12,208
Dues and subscriptions	**28,458**	3,216
Travel, meals and entertainment	**90,990**	10,816
Conference expenses	**25,900**	-
Royalty expense	**9,997**	20
Taxes and licenses	**5,475**	-
Rent expense	**7,496**	-
Vehicle expense	**11,339**	150
Miscellaneous expense	**17,988**	1,318
	938,115	60,528
Other income (expenses):		
Interest income	**(985)**	(770)
Rebate income	**(73,661)**	-
Interest expense	**1,243**	770
	73,403	-
Net income (loss)	**$ (426,487)**	$ 24,282

See Notes to Financial Statements

RESTOPROS FRANCHISING, LLC
Statements of Changes in Member's Equity (Deficit)
For the Years Ended December 31, 2022 and 2021

Member's equity, January 1, 2021	$ 957
Contributions	3,356
Net income	24,282
Member's equity, December 31, 2021	28,595
Contributions	**99,175**
Distributions	**(39,341)**
Net loss	**(426,487)**
Member's deficit, December 31, 2022	**$ (338,058)**

See Notes to Financial Statements

RESTOPROS FRANCHISING, LLC
Statements of Cash Flow
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net income (loss)	**$ (426,487)**	$ 24,282
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Accrued interest income	**-**	(770)
(Increase) decrease in:		
Accounts receivable	**(87,191)**	(5,309)
Prepaid broker fees	**(1,251,258)**	(347,792)
Inventory	**6,175**	(6,175)
Increase (decrease) in:		
Accounts payable	**77,419**	30,961
Deferred franchise revenues	**1,422,083**	396,000
Net cash provided by (used in) operating activities	**(259,259)**	91,197
Cash flows from investing activities:		
Borrowings from related party	**171,990**	67,623
Net cash provided by investing activities	**171,990**	67,623
Cash flows from financing activities:		
Payments on long-term debt	**(5,861)**	(3,512)
Member distributions	**(39,341)**	-
Member contributions	**15,625**	3,356
Net cash used in financing activities	**(29,577)**	(156)
Net increase (decrease) in cash	**(116,846)**	158,664
Cash, beginning of year	**159,621**	957
Cash, end of year	**$ 42,775**	$ 159,621
Supplemental disclosure of noncash investing and financing activities:		
Long-term debt acquired for related party	**$ -**	$ 92,923

See Notes to Financial Statements

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

RestoPros, LLC (the "Company") was incorporated on August 5, 2019 in the state of North Carolina, for the purpose of filing its initial franchise disclosure document and selling RestoPros franchises.

The Company provides franchisees with the right to own and operate a restoration service to bring dependable, timely, and professional restoration services to the American public. The Company is a limited liability company ("LLC") which will continue in existence subject to the terms and conditions of its Operating Agreement. The obligations of the member are limited to its capital contribution.

A summary of the Company's significant accounting policies follows:

Basis of Preparation

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Company includes all financial instruments which are not subject to withdrawal restrictions or penalties with a maturity of three months or less as cash and cash equivalents.

Accounts Receivables

Accounts receivable are carried at original invoice amounts less an estimate made for doubtful accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual franchisee accounts receivable balances that the Company specifically knows may be uncollectible. In making such a determination, the Company also considers a franchisee's financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The allowance for doubtful accounts was zero as of December 31, 2022 and 2021.

Inventory

Inventory consists of box truck and equipment purchases and are stated at the lower of cost or net realizable value using the first-in, first-out method.

Revenue Recognition

An initial nonrefundable franchise fee is paid to the Company upon sale of a franchise. Revenue from the sale of an individual franchise is recognized in the period the sale is consummated and when all performance obligations have been substantially provided by the Company. Management has determined that pre-opening services (initial training and site selection assistance) and the license agreement have been combined into a single performance obligation.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

For performance obligations related to the initial nonrefundable franchise fee, control transfers to the franchisee at a point in time when the Company has completed all pre-opening services (such as site development and initial training). The Company transfers control and recognizes revenue from the initial nonrefundable franchise fees upon completion of all pre-opening obligations and transfer of license agreement.

Initial equipment purchases revenue is required prior to opening. The Company recognizes revenue on the Initial Equipment Purchases when all performance obligations, outlined within the franchise agreement, have been met and satisfied. Each new franchisee is required to purchase a determined and specific list of equipment. Performance obligations related to the pieces of equipment required by each new franchisee are satisfied at the time the equipment is shipped to the new franchisee via common carrier. The equipment is sold under the Franchise agreement and control is transferred to the franchisee when shipped. Revenue is recognized at that time.

To license the use of the Company's brand, each franchisee enters into a franchise agreement that includes a royalty fee (7% of weekly gross sales) and a corporate marketing fund fee (1% of monthly gross sales). These royalty and corporate marketing fund fees are recognized in the period in which they are earned. Management has determined that, as a practical expedient, the Company has a right to the royalty and corporate marketing fund fee from the franchisee as daily performance obligations have been completed pursuant to the Franchise Agreement. Revenue is recognized on the basis of when the franchise generates gross receipts at which point the royalty and corporate marketing fund fees are due and payable.

Advertising Costs

The Company expenses advertising costs as incurred.

Income Tax Status

For income tax purposes, the Company has elected to be taxed as a partnership. Accordingly, no provision for income tax is reflected in the financial statements, as it is the responsibility of the members to report their respective share of income and other tax attributes on their individual income tax returns.

It is the Company's policy to evaluate all tax positions to identify those that may be considered uncertain. All identified material tax positions will be assessed and measured by a more-likely-than-not threshold to determine if the benefit of any uncertain tax position should be recognized in the financial statements. Any changes in the amount of a tax position will be recognized in the period the change occurs. No material uncertain tax positions were identified for 2022 and 2021.

Use of Estimates

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

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through May 18, 2023, which is the date the financial statements were available to be issued.

NOTE 2 - SUMMARY OF FRANCHISED OUTLETS

The following is a summary of changes in the number of outlets at December 31:

Franchised Outlets:	**2022**	2021
In operation - beginning of year	**5**	1
New franchises sold during the year	**15**	4
Ceased operations/sold to franchisor during the year	-	-
In operation - end of the year	**20**	5

NOTE 3 - RELATED PARTY TRANSACTIONS

During the ordinary course of business, the Company enters into certain transactions with RestoPros, LLC, a Company owned by the managing member, primarily for the purchase of inventory, short term advances and cost reimbursements. The Company had related party transactions recorded in the financial statements in the following amounts as of December 31:

	2022	2021
Related party receivables	**$ 1,228**	$ 26,070
Related party payables	**147,148**	-
Cost of good sold	-	29,261

NOTE 4 - LONG-TERM DEBT

On September 3, 2021, the Company obtained a promissory note with a financial institution for $92,923. The promissory note bears interest at 3.32% and is due in monthly payments of $1,427 through September 3, 2027. During the year ended December 31, 2022, the note was paid in full.

NOTE 5 - DEFERRED INITIAL FRANCHISE FEES AND COSTS

In accordance with ASC 606, initial franchise fees received and the costs directly related to that fee are recorded as revenues and expenses when management has determined that all performance obligations have been satisfactorily completed. Fees received and the direct costs incurred prior to the recognition of the revenue and expense, are recorded as deferred income and deferred expenses until the satisfaction of those performance obligations has occurred which is generally recognized on a straight-line basis over the term of the underlying agreements.

NOTE 5 - DEFERRED INITIAL FRANCHISE FEES AND COSTS (Continued)

Deferred income and expenses at December 31 are as follows:

	2022	2021
Deferred franchise fees	**$ 1,818,083**	$ 396,000
Prepaid broker fees	**1,599,050**	347,792

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

The Company maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation. Deposit accounts, at times, may exceed federally insured limits.

EXHIBIT C
TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

LIST OF CURRENT FRANCHISEES IN OPERATION AS OF DECEMBER 31, 2023

Location	Legal Entity or Individual Name	Address	Telephone Number
Birmingham	ROSSFAM, LLC	143 Flagstone Drive Chelsea, AL 35043	205-615-949
Central Arkansas	RCFM Service Company, LLC	8111 Northshore Cove Benton, AR 72019	501-765-9463
Southwest Denver	RestoPros of Southwest Denver, LLC	10727 Timothy's Drive Conifer, CO 80433	303-946-8907
North Denver	Spotted Dog Group LLC	PO Box 201535 Denver, CO 80220	(303) 900-2445
Fairfield County	The Water Mitigation Friend LLC	101 Aspetuck Ave. New Milford, CT 06776	(203) 200-0897
Boca Raton	Strobel Mitigation LLC	9623 Parkview Ave Boca Raton, FL 33428	(561) 203-5039
SW Florida	Sunshine9, LLC	13211 Saw Palm Creek Trail, Bradenton, FL 34211	941-231-1341
North Orlando	Thomas Cleaning And Restoration LLC	478 Eagle Circle Casselberry, FL 32707	(407) 205-2344
Northeast Florida	AUDSYD LLC	11641 Hampton Park Blvd. Jacksonville, FL 32256	904-201-9151
North Tampa	DH4B CORPORATION	22755 Cherokee Rose Pl Land O Lakes, FL 34639	(813) 330-0298
Pinellas	T Generations, Inc	1201 Hays Street Tallahassee, FL 32301	(507)3985250
Tampa	LNRV Restoration Services, LLC	339 E Robertson St Tampa, FL 33511	813-344-8837
Space Treasure Coast	RestoPros of Space-Teasure, LLC	226 Egret Lane Vero beach, FL 32963	786-247-6948
Atlanta Permiter	SCKO Holdings LLC	410 Overview Drive Atlanta, GA 30327	404-661-6890
Northwest Georgia	NIELGRET ENTERPRISES INC	116 Woodbury Ln Canton, GA 30114	(770) 744-2834
Central Georgia	COLAPARCHEE RESTORATION INC	6875 Colaparchee Rd Macon, GA 31210	(478) 239-6592
Northeast Georgia	Heartland Restoration LLC	5204 Brendlynn Dr. NW,	770-299-2929

Location	Legal Entity or Individual Name	Address	Telephone Number
		Suwanee, GA 30024	
North Indy	SFTS SERVICES, INC	6177 Grove Walk Ct. Noblesville, IN 46062	317-316-9086
Metro Indy	Restopros Of Metro Indy	3881 Idlewild Dr Westfield, IN 46074	(317) 207-9460
New Orleans	Ehrhardt Enterprises LLC	145 Beverly Dr Metairie, LA 70001	(504) 233-0308
MetroWest	RestoPros Of Metrowest	17 Butler Place Sundbury, MA 01776	(508) 205-9602
Kansas City	Project B&B LLC	5216 NE 91st St Kansas City, MO 64156	(816) 200-1246
Bergen – Passaic	Brooklyn9 Holdings LLC	PO Box 270 Mahwah, NJ 07430	(201) 430-7035
North and Central New Jersey	SKRP OF NJ, LLC	14 Fairmount Ave Chatham, NJ 07928	(973) 283-5051
Charlotte	RestoPros, LLC (our affiliate)	920 Crafters Lane Charlotte, NC 28134	(803) 280-0773
Northwest Raleigh	Raja Enterprises LLC	7475 Creedmoor Rd #139 Raleigh, NC 27613	(919) 213-0028
Coastal Carolina	Eagle Eye Enterprises INC	308 Wild Iris Rd Wilmington, NC 28412	(910) 294-7411
East Hamilton County	Kestner Holdings Inc.	2802 Hyde Park Ave. #1 Cincinnati, OH 45209	513-212-6632
Oklahoma City	KOSH, LLC	207 E Main Street, #2 Norman, OK 72069	405-215-9101
Tulsa	Doughtery Restorations	PO Box 52674 Tulsa, OK 74152	(918) 200-9884
Pittsburgh	PGH Restoration Restoration, LLC	460 Pearl Street Pittsburgh, PA 15224	347-393-7614
Charleston	RestoPros Of Charleston, LLC (our affiliate)	7587 Sandlapper Pkwy Unit 100 North Charleston, SC 29420	(843) 990-2242
The Midlands	RestoPros of the Midlands, LLC	1130 Broad River Road Columbia, SC 29210	803-493-0170
The Upstate	RestoPros of The Upstate, LLC	319 Garlington Road Greenville, SC 29615	864-200-4843
East Memphis	Memphis Restoration, LLC	3686 Romano Way E Germantown, TN 38138	(901) 209-1062
Knoxville	RestoPros Knoxville, LLC	1201 Osprey Ln Knoxville, TN 39722	(865) 217-6537

Location	Legal Entity or Individual Name	Address	Telephone Number
Nashville	MAK Home Services, LLC	3728 Keystone Ave Nashville, TN 37211	(615) 549-0828
East Houston	Barnett Texas Holdings, LLC	6019 Red Fish Run Baytown, TX 77523	832-984-8813
Northwest San Antonio	Team Gilmore, LLC	122 North Star Ct. Boeme, TX 78006	210-999-0388
Greater Heights	Watauga Holdings INC	2855 Commercial Cntr Blvd #716 Katy, TX 77494	(281) 694-7699
Southwest Austin	Cosmas First, LLC	160 Iron Creek Way Kyle, TX 78640	630-303-4094
Austin	Nick Of Time Restoration LLC	1420 Siena Sunset Rd Leander, TX 78641	(512) 200-4298
Rio Grande	Araujo Lopez Management, LLC	2304 SE Augusta Square McAllen, TX 78503	956-888-1877
New Braunfels – San Marcos	Webb One, Inc.	132 Cactus Breeze New Braunfels, TX 78132	(512) 588-3707
Northeast Austin	With Purpose, LLC	2700 Louis Henna Blvd Ste 100A E4 Round Rock, TX 78664	(512) 500-0688
Tyler -Longview-Nacogdoches	Apollo Industries, LLC	17781 State Hwy 43 Tatum, TX 75691	(903) 213-5066
Northwest Houston	Staugus, LLC	42 Mohawk Path Trail The Woodlands, TX 77389	713-202-4200

LIST OF CURRENT FRANCHISEES WHO HAVE SIGNED A FRANCHISE AGREEMENT BUT ARE NOT YET OPERATIONAL AS OF DECEMBER 31, 2023

Location	Legal Entity or Individual Name	Address	Telephone Number
East Denver	Bell Franchising LLC	13293 W. LaSalle Cir Lakewood, CO 80228	(303) 335-0125
Fort Lauderdale	MigMichPro, LLC	19900 E Country Club, Drive #806 Aventura, FL 33180	954-947-1911
Greater Orlando	Russell Restorations, Inc.	435 Balboa Blvd Clermont, FL 34715	407-579-6286
The Corridor	Corridor Restoration, LLC	501 Forest Dr SE Cedar Rapids, IA 52403	319-329-6351
Louisville	RPLOU, LLC	3619 Trail Ridge Road Louisville, KY 40241	502-435-9210

Location	Legal Entity or Individual Name	Address	Telephone Number
Tri-County	Bogdanski Tri County Services	10152 Walnut Shores Dr Fenton, MI 48430	586-242-0383
Oakland-Macomb	R and M Dean Inc.	3245 Rycroft St Keego Harbor, MI 48320	(248) 841-5964
Northwest Metro Detroit	R E M Investments LLC	30869 Avondale Drive Madison Heights, MI 48071	(248) 979-1844
South Las Vegas	LVCore Ventures Inc.	281 Great Duke Ave Las Vegas, NV 89183	(203) 444-4200
Hudson County	Roman Service Holdings Corporation	100 Manhattan Ave, Apt. 3 Jersey City, NJ 07307	732-298-1152
Catawba County	RL Parrish Enterprises of Norh Carolina, LLC	1427 Legion Road Granite Falls, NC 28630	828-455-8211
East Cleveland	Sak Family Holdings, Inc.	245 Bramley Court Chagrin Falls, OH 44022	847-754-5374
Columbus West	Kline Diversified, LLC	2640 Canterbury Road Columbus, OH 43221	614-595-1316
Greater Columbus	K6 Ventures, Inc.	4379 Gale Road Granville, OH 43023	614-557-6030
Bucks-Mont	Capozzoli Enterprises, INC	124 Maple Ln New Britain, PA 18901	(215) 610-8761
North Houston	Restoration of North Houston	37 Dovewood Pl, The Woodlands, TX 77381	(925) 899-5413

LIST OF FORMER FRANCHISEES

Legal Entity or Individual Name	Location	Telephone Number
C&H Restoration (Transfer)	3102 Southest Clayton St Port St Lucie, FL 34997	315-794-6278
JSS Services, Inc. (Termination)	559 Ralph McGill Blvd. NE Atlanta, GA 30312	404-594-2396
FBRC Inc. (Termination)	320 Government Road Clayton, NC 27520	919-815-8525
Rowell Inc. (Termination)	10071 Woodland Village Drive, Austin, TX 78750	512-655-3400

EXHIBIT D
TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. 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 each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, NY 10005 (212) 416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	Director of Division of Insurance 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division PO Box 9033 Olympia, WA 98507 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities And Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

EXHIBIT E
TO FRANCHISE DISCLOSURE DOCUMENT

MANUAL TABLE OF CONTENTS

RestoPros
Brand Standards Manual
Table of Contents

Section (Including *Cover Pages*)	**Number of Pages**
Preface & Introduction	29
Establishing the Business	50
Personnel	90
Administrative Procedures	26
Daily Procedures	33
Marketing	22
Total Number of Pages	**250**

EXHIBIT F
TO FRANCHISE DISCLOSURE DOCUMENT

MULTI-STATE ADDENDUMTO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications and additions are part of the REstoPros™ Franchise Disclosure Document ("FDD") and Franchise Agreement ("FA") as required by relevant state laws.

Georgia

DISCLOSURES REQUIRED BY GEORGIA LAW

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

Idaho

FDD Item 17, FA Section 18

Any condition in a franchise agreement executed by a resident of Idaho or a business entity organized under the laws of Idaho is void to the extent it purports to waive venue or jurisdiction of the Idaho court system. Venue and jurisdiction will be in Idaho if the franchisee is an Idaho resident or a business entity organized under the laws of Idaho.

Illinois

Illinois law governs the Agreements.

Payment of Initial Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

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

Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.

Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with the compensation requirements.

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

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

See the last page of this Exhibit F for your required signature.

FDD Item 5; FA Section 5.1

Franchisor will defer payment of the Initial Franchise Fees until Franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

FDD Item 11

Once your franchised business is open and operational, the Franchisor has NO obligation to provide any assistance or services to you.

In fiscal year 2023, the Franchisor collected $146,478 in contributions to its Advertising Fund, but none were utilized or spent.

FDD Item 17

A franchisee's rights upon termination and non-renewal may be affected by Illinois law. (815 ILCS 705/1-44).

Releases executed by franchisees must comply with the Illinois Franchise Disclosure Act. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of The Illinois Franchise Disclosure Act or any other law of the state of Illinois is void. (See Section 41 of the Illinois Franchise Disclosure Act, and Rule 200.609 of the Rules and Regulations).

The governing law and choice of law clauses contained in the Franchise Agreement are subject to Illinois Law.

Any provision in the Franchise Agreement and any ancillary Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois. (See Section 4 of the Illinois Franchise Disclosure Act, and Rule 200.608 of the Rules and Regulations).

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.

Indiana

Pursuant to the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2-2.5:

FA Sections 10 and FDD Items 8 and 11 are amended to add the following:

> Under Indiana Code 23-2-2.7-1(1), Franchisee shall not be required to purchase goods, supplies, inventories, or services exclusively from Franchisor or sources designated by Franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by Franchisor. However, Franchisor's publication of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by Franchisor does not constitute designation of a source nor does a reasonable right of Franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by Franchisor.

FA Section 2.3 and FDD Item 17(s) are amended to add the following:

> Under Indiana Code 23-2-2.7-1(3), Franchisor will make no substantial modification of the Franchise Agreement without Franchisee's written consent.

FA Section 10.20 and FDD Item 8 are amended to add the following:

> Under Indiana Code Section 23-2-2.7-1(4), Franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the Franchisee does business, on account of, or in relation to, the transaction between the Franchisee and the other person, other than for compensation for services rendered by Franchisor, unless the benefit is promptly accounted for and transmitted to the Franchisee.

FA Sections 3.2, 10.8, 14.2, Exhibit A-4, and FDD Item 17 are amended to add the following:

Any general release of claims against Franchisor is subject to the Indiana Deceptive Franchise Practices Law and the Indiana Franchise Disclosure Law. Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

FA Section 15 and FDD Item 17 are amended to add the following:

Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith. The Franchise Agreement may not be unilaterally terminated unless there is a material violation of the Franchise Agreement and termination is for good cause and is not in bad faith.

FA Section 3.2 and FDD Item 17(c) are amended to add the following:

Indiana Code 23-2-2.7-1(8) makes unlawful for Franchisor to fail to renew a franchise without good cause or in bad faith. The Franchise Agreement may be renewed if Franchisee meets the conditions specified in the Franchise Agreement.

FA Section 17 and FDD Item 17(r) are amended to add the following:

Subject to Indiana Code 23-2-2.7-1(9), any post-term non-competition covenants will have a geographical limitation of the territory granted to the franchisee.

FA Section 10.7 and FDD Items 6 and 9 are amended to add the following:

Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products that were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.

FA Section 18 and FDD Item 17 are amended to add the following:

Subject to Indiana Code 23-2-2.7-1(10), in the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law will prevail. Franchisee may commence litigation in Indiana for any cause of action under Indiana law. Any arbitration between Franchisor and Franchisee shall be conducted in Indiana or a site mutually agreed upon.

FA Sections 4, 7, and 10 and FDD Item 11 are amended to add the following:

Subject to Indiana Code 23-2-2.7-1(11), Franchisee shall not be required to participate in any: (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the

maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

Maryland

FDD Item 5, Franchise Agreement Section 5.1

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.

FDD Items 6 and 17 and FA Sections 14.1, 14.2, and Exhibit A-4

According to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, assignment or transfer of the franchise will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

FDD Item 17(e) and (f) and FA Section 15

Any provision that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

FDD Item 17(u),(v) and (x) and FA Section 18

Section 14-216(c) (25) of the Maryland Franchise Registration and Disclosure Act requires a franchisor to file an irrevocable consent to be sued in Maryland. Notwithstanding anything to the contrary in the franchise agreement or Disclosure Document, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Act.

FDD Items 17(u) and FA Sections 18 and 20.7

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within **3** years after the grant of the franchises.

FDD Items 17(t) and FA Sections 14.1, 14.2, and Exhibit A-4

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.

FA Sections 1.2, 22.1, and 22.2 are deleted from the Franchise Agreement.

FA Section 20.4

The Disavowal of Oral Representations section is deleted completely from the Franchise Agreement.

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.

Minnesota

FDD Item 17; FA Sections 18

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside 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 Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

FDD Item 17; FA Section 15

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4, and 5, which require (except in certain specified cases) that a franchisee be given **90** days notice of termination (with **60** days to cure) and **180** days notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

FDD Item 13; FA Section 4

Minnesota Statutes Section 80C.20, Subdivision 1(g) allows the Minnesota Commissioner of the Department of Commerce to issue a cease and dismiss order or issue an order denying, suspending or revoking any registration, amendment or exception on finding any of the following . . . that the method of sale or proposed method of sale of franchises or the operation of the business of the franchisor or any term or condition of the franchise agreement or any practice of the franchisor is or would be unfair or inequitable to franchisees. Pursuant to this section, the Commissioner requires all franchisors registering in the state of Minnesota to state that the franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logo types or other commercial symbols or indemnify the franchisee from any loss, cost or expenses arising out of any claim, suit or demand regarding the use of the name. We intend to comply with the Minnesota statute and to protect the franchisee's rights and indemnify the franchisee for any losses to the full extent required by relevant state law.

FDD Item 17, FA Sections 3.2, 10.8, 14.2, and Exhibit A-4.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release. The general release provisions in the Franchise Agreement are void and unenforceable in the state of Minnesota.

FA Section 18.5

Any limitations of claims must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

FA Section 18

Pursuant to Minnesota Statutes Section 80.C.21, this section will not in any way abrogate or reduce any rights of the franchisee as provided for in Minnesota Statutes, Chapter 80.C, including, but not limited to, the right to submit matters to the jurisdiction of the courts in Minnesota.

FDD Item 6, FA Sections 6.7

NSF checks are governed by Minnesota Status 604.113, which puts a cap of $30 on service charges.

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.

New York

In the State of New York only, this Disclosure Document is amended as follows:

1. FDD Cover Page. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YOARK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE

DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY ST. 21ST FLOOR, NEW YORK, NY 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.

2. FDD Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent. FDD Item 17

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements - 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.

7. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

Virginia

FDD Cover Pages: Special Risks to Consider About This Franchise

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.

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

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.

FDD Item 5; FA Section 5.1

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

FDD Item 17(f),(g),(h); FA Section 15

Under 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.

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.

It is agreed that the applicable foregoing state law addendum for the state of _____, if any, supersedes any inconsistent portion of the Franchise Agreement (to which this addendum is attached) of this same date, and of the Franchise Disclosure Document. All terms of the Franchise Agreement, including these Multi-State Addendum provisions for the relevant state, have been agreed to at the time the Franchise Agreement was signed. However, this addendum will have effect only if the Franchise Agreement or our relationship with you satisfies all of the jurisdictional requirements of the relevant state's franchise laws, without considering this addendum.

DATED this _____.

("we/us"): **RESTOPROS FRANCHISING, LLC**

By: _____
Name: _____
Title: _____

(jointly and severally "you"):

By:_____
Name: _____
Title: _____

By:_____
Name: _____
Title: _____

EXHIBIT G
TO FRANCHISE DISCLOSURE DOCUMENT

Confirmation of Additional Terms and Representations Addendum

RESTOPROS FRANCHISING, LLC
a North Carolina limited liability company
14301 South Lakes Drive, Suite E
Charlotte, NC 28273

RESTOPROS FRANCHISING, LLC ("RestoPros" and "we/us"), through the use of this Addendum, desires to verify certain information about the franchise sale to you and to confirm any additional commitment or terms beyond those contained in the standard RestoPros™ franchise agreement (the "Franchise Agreement') and contained in our current "Franchise Disclosure Document," including any oral statement, representation, promise or assurance made during the negotiations for the purchase of a RestoPros™ franchise by any director, officer, employee, agent or representative of RestoPros (each, a "Representative"). Please review each of the following questions carefully and provide honest responses to each questions. For the purpose of this Addendum "you" includes the franchisee and all owners.

Do not sign if the franchisee is a Maryland resident or if the franchised business will be located within the state of Maryland.

I. FRANCHISE

A. Description of Representations.

1. Describe any promises, oral or written agreements, contracts, commitments, representations, understandings, "side deals" or otherwise have been made to or with me with respect to any matter not expressly contained in the Franchise Agreement. This includes, but is not limited to, any representations or promises regarding advertising, marketing, training, site location, operational assistance or other services or write "None."

_____
_____
_____

2. Describe any oral, written, visual or other claim or representation, promise, agreement, commitment, understanding, or otherwise which contradicts or is inconsistent with the Franchise Disclosure Document or Franchise Agreement that has been made to you by us or our Representatives or write "None."

_____
_____
_____

3. Describe any oral, written, visual, or other claim or representation that has been made to you by any person or entity, which states or suggests any actual, average, projected or forecasted sales, gross

receipts, operating costs, revenues, income, profits, expenses, cash flow, tax effects, earnings, or otherwise, that is different from or in addition to what is contained in the Franchise Disclosure Document- including Item 19 or write "None."

_____
_____
_____

4. Describe any statement, promise or assurance made by us or our Representatives concerning the likelihood of success that you should or might expect to achieve from developing and operating a RestoPros™ franchise or write "None":

_____
_____
_____

5. Describe any statement, promise or assurance concerning the advertising, marketing, training, support services or assistance that we will furnish you that is contrary to, or different from, the information contained in the Franchise Disclosure Document. If you believe that one of these statements, promises or assurances has been made, please describe the statement or promise in the space provided below or write "None".

_____
_____
_____

6. Describe any other statement, promise or assurance concerning any other matter related to a RestoPros™ franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document. If you believe that one of these statements, promises or assurances has been made, please describe the statement, promise or assurance in the space provided below or write "None".

_____
_____
_____

II. YOUR PARTICIPATION

A. You will personally participate in the management of the RestoPros™ Franchise as set forth in the Franchise Agreement. You will faithfully and fully perform all duties required of you under the Franchise Agreement.

B. Your purchase of the Franchise is for your own account and is not made with a view to or for resale.

[Signature Page Immediately Follows]

ACKNOWLEDGEMENT

1. **Did we or our Representatives advise you to fill in and complete this form except as based upon your personal knowledge and experience? If not, please describe what you were instructed or write "None":**

_____
_____
_____

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.

PROSPECTIVE FRANCHISEE: (Individual)

_____
Name

_____
Signature
Date:_____

PROSPECTIVE FRANCHISEE:
(Corporation, Partnership or Limited Liability Company)
a/an _____ corporation
a/an _____ partnership
a/an _____ limited liability company

_____
By: _____
Its: _____
Date:_____

("we/us"): **RESTOPROS FRANCHISING, LLC**

By: _____
Print Name: _____
Title: _____

EXHIBIT H
TO FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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

This 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
New York	

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

EXHIBIT I
TO FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT
(OUR COPY)

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 RestoPros Franchising, 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 a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, we must give you this disclosure document at the earlier of our first personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. New York law requires this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If RestoPros Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit D.

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

❑ Alex Blair, Shannon Roderick, 14301 South Lakes Drive, Suite E, Charlotte, NC 28273, 704-604-0370.
❑ BrandOne, Jason Barclay, Michael Mudd, 15716 Eagleview Dr, Charlotte, NC 28278, (704) 577-5302
❑ Other: _____

Issuance Date: April 30, 2024

See Exhibit A for our registered agents authorized to receive service of process. I have received a Disclosure Document dated with the above issuance date that included the following Exhibits:

Exhibit A	Franchise Agreement
Exhibit B	Financial Statements
Exhibit C	List of Franchisees
Exhibit D	List of State Administrators and Agents for Service of Process
Exhibit E	Manual Table of Contents
Exhibit F	Multi-State Addendum
Exhibit G	Confirmation of Additional Terms and Representations Addendum
Exhibit H	State Effective Dates
Exhibit I	Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

_____
Name of Business Entity

Sign: _____

Title: _____

(Print Name): _____

Dated: _____
(Do not leave blank)

If an individual:

Sign: _____

(Print Name): _____

Dated: _____
(Do not leave blank)

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail or e-mail, to RestoPros Franchising, LLC, 14301 South Lakes Drive, Suite E, Charlotte, NC 28273; email: shannonroderick@restopros.co

RECEIPT
(YOUR COPY)

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 RestoPros Franchising, 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 a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, we must give you this disclosure document at the earlier of our first personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. New York law requires this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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❑ BrandOne, Jason Barclay, Michael Mudd, 15716 Eagleview Dr, Charlotte, NC 28278, (704) 577-5302
❑ Other: _____

Issuance Date: April 30, 2024

See Exhibit D for our registered agents authorized to receive service of process. I have received a Disclosure Document dated with the above issuance date that included the following Exhibits:

Exhibit A	Franchise Agreement
Exhibit B	Financial Statements
Exhibit C	List of Franchisees
Exhibit D	List of State Administrators and Agents for Service of Process
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Exhibit F	Multi-State Addendum
Exhibit G	Confirmation of Additional Terms and Representations Addendum
Exhibit H	State Effective Dates
Exhibit I	Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

_____
Name of Business Entity

Sign: _____

Title: _____

(Print Name): _____

Dated: _____
(Do not leave blank)

If an individual:

Sign: _____

(Print Name): _____

Dated: _____
(Do not leave blank)

Please keep this copy for your records.