FRANCHISE DISCLOSURE DOCUMENT

INFRASYS, INC.
(A Minnesota Corporation)
2520 South Campbell Street
Sandusky, Ohio 44870
(800) 341-7325
www.sealmaster.net
rsimon@sealmaster.net

InFrasys, Inc. offers franchises for the manufacture and production of pavement sealers, the sale of pavement maintenance products, tools and accessories, and the sale and rental of pavement maintenance equipment. You are granted the right to use the Mark "SEALMASTER."

The total investment necessary to begin operation of a franchised business is $579,800 to $924,500. This includes $435,000 to $585,000 that must be paid to us or our affiliate. If you are a conversion franchisee, the total investment necessary to begin operation of a franchised business is $64,300 to $651,000. This includes $60,000 to $425,000 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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact InFrasys, Inc., 2520 South Campbell Street, Sandusky, Ohio 44870, (800) 341-7325.

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

Buying a franchise is 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: January 26, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits C and D.
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 A 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 SealMaster 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 SealMaster franchisee?	Item 20 or Exhibits C and D list 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 Franchise *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 delegates. These items may be more expensive than similar items you could buy or 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 the 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 E.

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 risks be highlighted:

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

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

NOTICE REQUIRED
BY
STATE OF MICHIGAN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Law Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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

Franchisor

To simplify the language in this disclosure document, "Company" or "we" or "us" means InFrasys, Inc., the franchisor of this business. "You" means the person who buys the franchise and includes your owners if you are a corporation, limited liability company, partnership or other entity. Our agent for service of process is disclosed in Exhibit E of this disclosure document.

We were incorporated in the State of Minnesota on October 3, 1991, under the name SealMaster Franchising, Inc. On June 16, 2003, we changed our name to InFrasys, Inc. Our principal place of business and business address is 2520 S. Campbell Street, Sandusky, Ohio 44870. We do business under the name InFrasys, Inc. and "SEALMASTER."

Company's Affiliates

Our affiliate is ThorWorks Industries, Inc. ("Affiliate") and was incorporated in Minnesota on October 30, 1985. Affiliate's principal place of business and business address is 2520 S. Campbell Street, Sandusky, Ohio 44870.

Affiliate produces and sells pavement maintenance coatings and repair products, pavement sealing equipment, along with tennis court and running track surface repair and coating products. Affiliate also distributes equipment, tools and accessories such as power blowers, line striping equipment, squeegees, lutes, brooms, etc. Both we and Affiliate are approved suppliers of products and equipment as further described in Item 8.

Affiliate owns 2 manufacturing facilities that produce pavement sealers and sell the complete SEALMASTER Proprietary Product Line to contractors. Affiliate also owns and operates 1 store front facility that sells the complete SEALMASTER product line to contractors. Affiliate also owns 1 manufacturing franchise that is not in operation.

Affiliate's predecessor conducted a business of the type you will be operating from 1969 until 1990. Since 1990 and continuing through the present, Affiliate has operated a business similar to the Franchised Business. Affiliate and its predecessor have never offered franchises for the Franchised Business or for any other business.

Except as described above, no other parents, predecessors or affiliates are required to be disclosed in this Item.

Company's Business Activities

We grant franchises to operate a business that manufactures and produces pavement sealers and markets and sells a full line of pavement maintenance products, sports surface products and equipment to pavement maintenance contractors, public works departments and others responsible for pavement maintenance (the "Franchised Business"). Pavement maintenance equipment also is rented to local contractors, public works departments and others responsible for pavement maintenance. You will use the proprietary SEALMASTER specially formulated pavement maintenance and sports surface products and equipment ("Proprietary Products") in your Franchised Business. You will operate your Franchised Business under the mark "SEALMASTER" and other trademarks, service marks, logos, and other commercial symbols which we periodically authorize (collectively, the "Marks").

Our business activities include the grant to qualified individuals and entities to establish, develop, own and operate an individual SEALMASTER Franchised Business from a location we approve ("Premises") and specified in the Franchise Agreement ("Franchise Agreement"). We also grant conversion franchises to qualified persons or entities who have been engaged in manufacturing pavement sealants for at least 2 of the previous 5 years. Conversion franchisees (also referred to as "you") must sign

both a Franchise Agreement and a Conversion Franchise Agreement (collectively, "Conversion Franchise Agreement"), and you will have the same rights and obligations as required in the Franchise Agreement, unless stated differently in the Conversion Franchise Agreement or disclosure document.

Affiliate also owns and operates SEALMASTER businesses as described above. We provide start-up and ongoing services to franchisees as described in Item 11. We have never conducted a business similar to that offered under this disclosure document.

We have no other business activities other than those listed above. We have offered franchises for the Franchised Business since 1993 but have never offered franchises for any other business. We do, however, retain the right to own or operate or to offer franchises for the right to own and operate sales and distribution or application contracting businesses using the same, similar or different products than used in a SEALMASTER business, and using the same or different marks ("Alternative Businesses") within or without the areas where you operate your Franchised Business.

The Franchised Business and Businesses to be Offered

SEALMASTER Franchised Businesses operate under a System ("System") characterized by distinctive exterior and interior design, decor, layout and color scheme; exclusively designed signage, furnishings and materials; manufacturing, sales and rental operating procedures and methods; techniques and methods for merchandising activities; the SEALMASTER Confidential Operations Manual (the "Manual"); the Marks; the SEALMASTER Proprietary Products; procedures for purchasing inventory and merchandise; formulae for manufacturing pavement sealers; other confidential operations procedures; and methods and techniques for inventory and cost controls, record keeping and reporting, personnel management, purchasing, sales promotion, marketing and advertising; all of which we may change periodically.

In your Franchised Business, you will offer products and services to pavement maintenance contractors, public works departments and others responsible for pavement maintenance. We believe that the market for the SEALMASTER Franchised Business is established, but in some cases seasonal. You will compete with other manufacturers and distributors of pavement maintenance products and sports surface products.

Industry Specific Regulations

The Franchised Business may be subject to certain federal laws, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Hazardous Materials Transportation Act of 1975, Resource Conservation and Recovery Act of 1986 and other federal, state or local law concerning any materials classified as "hazardous." Although the materials currently used in the Franchised Business are not classified as hazardous, there is no guarantee that they will not be classified as such in the future. We currently are not aware of any specific requirements within any particular geographic area to obtain local or special permits or licenses to operate a SEALMASTER Franchised Business. We have no knowledge of any specific state or local laws or regulations within any particular geographic area that apply specifically to this industry. It is your responsibility to investigate and determine whether there are any requirements to obtain a local or special permit or license or regulations or other requirements that apply in the geographic area in which you are interested in locating your franchise. You should consider both their effect and cost of compliance. It will be your sole obligation, as a franchisee, to insure you fully understand and comply with any applicable federal, state and local laws, regulations or requirements for the lawful operation of a SEALMASTER Franchised Business.

Most states and local jurisdictions have enacted laws, regulations and ordinances which apply to businesses generally, including those which: (a) may require you to obtain a general state or local business licenses or registrations, occupancy permits and fire or health inspections (b) establish general standards, specifications and requirements for the renovation and leasehold improvements to the business site and premises and for the occupancy and maintenance of the business site and premises; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation

requirements for businesses, restrictions on smoking; (d) set standards pertaining to employee health and safety; (e) set standards and requirements for fire safety and general emergency preparedness; and (f) regulate the proper use, storage and disposal of waste. You should investigate whether there are regulations and requirements that may apply to businesses generally in the geographic area in which you are interested in locating your Franchised Business and should consider both their effect and cost of compliance.

ITEM 2. BUSINESS EXPERIENCE

President: David L. Thorson

Mr. Thorson has been our President since October 1993. From 1981 through 1987, Mr. Thorson owned and operated Sealcoat Services of Minnesota, a pavement maintenance contracting firm. In January 1986, Mr. Thorson established Duke Manufacturing Co., Inc. doing business as SealMaster Denver, located in Denver, Colorado, which manufacturers SealMaster Pavement Sealers and distributes and sells the complete SealMaster Proprietary Products in the Rocky Mountain regions. (The assets and business of Duke Mfg. Co., Inc. were sold in 1993 to a new owner that is currently operating as a SEALMASTER franchisee in Denver.) Since February 1990, Mr. Thorson also has served as President of our Affiliate, ThorWorks Industries, Inc.

Franchise Director: Richard G. Simon

Mr. Simon has served as our Franchise Director since June 2013.

Franchise Field Representative: Brian T. Coles

Mr. Coles has served as our franchise field representative since March 2011. From June 2008 through March 2011, he served as a supervisor for ThorWorks Industries, Inc., in Sandusky, Ohio.

Franchise Field Representative: W. Ronald Brooker Jr.

Mr. Brooker has served as our franchise field representative since June 2016. From February 2005 until June 2016, he served as a lab technician in ThorWorks Industries, Inc. research and development lab, in Sandusky, Ohio.

Sales Representative for SportMaster: Jeff Gearheart

Mr. Gearheart has served as our Sales Representative for SportMaster since April 2006. Since 1995, Mr. Gearhart has been employed in a variety of capacities with our Affiliate.

Chief Financial Officer: Larry Mullins

Mr. Mullins has been our Chief Financial Officer since February 2019. Mr. Mullins also serves as our Affiliate's Chief Financial Officer since February 2019. Prior to that, Mr. Mullins was the Chief Financial Officer for Encore Industries, Inc. in Sandusky, Ohio, from March 2011 to February 2019.

ITEM 3. LITIGATION

California Department of Corporations. On February 28, 2007, the State of California Department of Corporations issued to us a Citation and Desist and Refrain Order (the "Order") for violations of Sections 31110 and 31201 of the Corporations Code. Pursuant to the Order, we were ordered to: a) desist and refrain from the further offer or sale of franchises in California unless and until our offer has been registered under the Franchise Investment Law, or is found exempt; and b) pay the California Corporations Commissioner a penalty of $5,000. The Order was based on the State of California Department of Corporations' determination that we had engaged in the offer and sale of a franchise without the offer having first been registered and that our offer had failed to disclose two prior California civil actions.

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

ITEM 4. BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5. INITIAL FEES

Individual Franchise Fee

You must pay to us a Franchise Fee ("Franchise Fee") in the amount of $35,000 when you sign the Franchise Agreement. The Franchise Fee for any additional franchise you purchase will be $20,000. The Franchise Fee is fully earned and non-refundable upon payment, except as otherwise provided below:

1. If we determine that you are unable to satisfactorily complete both phases of the training program required of all franchisees, we may terminate the Franchise Agreement and return the Franchise Fee less expenses we incur in providing training to you and other expenses we incur.

2. If you do not find an acceptable site that we approve within 6 months after the Franchise Agreement is signed, all deposits you paid to us will be refunded less expenses we incur.

Conversion Franchise Fee

When you sign the Conversion Franchise Agreement, you must pay to us a Conversion Franchise Fee ("Conversion Franchise Fee") of $25,000. The Conversion Franchise Fee is due and payable in full when you sign the Conversion Franchise Agreement for the Franchised Business.

You must pay to us all other fees and payments described in the Franchise Agreement without deduction from the Conversion Franchise Fee.

The Conversion Franchise Fee is fully earned and non-refundable upon execution of the Franchise Agreement and Conversion Franchise Agreement except if we fail to approve any amended lease, sub-lease or other rental agreement for the premises of the Franchised Business as we require, in which case we will refund to you the entire Franchise Fee paid.

Except as stated above, the Franchise Fee and Conversion Franchise Fee are uniform to all franchisees under this offering.

Although you are free to purchase your initial inventory from any approved supplier, many franchisees purchase most of their initial inventory from Affiliate. The initial inventory ranges from $100,000 to $150,000 ($25,000 to $100,000 for a Conversion franchisee). In addition, you must purchase the plant production machinery from Affiliate (the "Plant Package"). The Plant Package ranges from $300,000 to $400,000 ($10,000 to $300,000 for a Conversion franchisee). If you purchase an existing Franchised Business from a current franchisee, you will purchase most of your initial inventory and the items in the Plant Package from the current franchisee. Payments for initial inventory and the Plant Package are not refundable.

ITEM 6. OTHER FEES

Type of Fee	Amount[1]	Due Date	Remarks
Royalty Fees[2, 4]	5% of Gross Sales	Payable monthly	We may require electronic transfer of funds.
Advertising Fund[2, 4]	1.5% of Gross Sales	Payable at the same time and in the same manner as the Royalty Fees	See Item 11. Your required contribution may increase if 50% or more of the franchisees elect to increase the required contributions to the Fund, however, you will not be required to contribute more than 4% of your Gross Sales on the Fund, cooperative advertising and local advertising costs.
Local Advertising[2]	1% of Gross Sales	As incurred	You must spend at least 1% of your Gross Sales on local advertising. If we form a Cooperative Advertising program, we may require you to direct all or a portion of your Local Advertising requirement to the Cooperative Advertising program.
Cooperative Advertising	Any portion or all of the Marketing Fund Contribution plus any portion or all of required Local Advertising may be re-designated for Cooperative Advertising, not to exceed 4%.	As invoiced	We may establish a Cooperative Advertising program in a regional marketing area. If we operate a SealMaster® business within a regional marketing area, we will have the same voting power as a Franchised Business. See Item 11.
Grand Opening Advertising	$2,000	Time of advertising	You will spend the grand opening advertising amount during the first 3 months of operation of your Franchised Business. We will provide guidelines.
Special Promotions	Cost plus our mark-up	Time of purchase	We may develop and market special catalogs, brochures and other promotional items. You must maintain an inventory of these promotional items to meet public demands.
Insurance Policies	Amount of unpaid premiums	Must have the policies within 2 weeks before you take possession of the Franchised Business Premises	We may obtain insurance if you do not and charge you for it.
Additional Training	$350 per day	Time of service	We train you and 2 employees free. You pay for additional training if you request it or hire additional managers.
Additional Assistance	$350 per day plus expenses	Time of assistance	If you need additional assistance, you will reimburse us for our expenses, including travel and lodging expenses for our representatives, plus our then-current rates published in the Manual.
Continuing Education	Varies	Time of program	See Item 11. You will be responsible for all costs including travel, lodging, meals and employees' salaries in attending continuing education and training programs or seminars at a location we designate.
Late Fees	18% per year or highest applicable legal rate for open account business credit, whichever is lower	After due date	Applies to all Royalty Fees, advertising contributions and amounts due for purchases from us.

Type of Fee	Amount[1]	Due Date	Remarks
Audit	Cost of audit plus interest on underpayment	When discrepancy is discovered	Payable only if our audit shows that you understated Gross Sales by at least 2%.
Supplier/Supplies Approval	Reasonable cost of inspection and actual cost of test	Time of inspection	Applies to new suppliers or supplies that we have not approved.
Business Relocation	$350 per day plus expenses	Time of service	You must obtain our approval to any relocation of the Franchised Business.
Maintenance	Our cost	On demand	If you do not complete any required maintenance, we may, in addition to other remedies, make the repairs to the equipment, fixtures or signs on your behalf and you will pay our entire costs on demand.
Operation in case of Your Absence, Disability or Death	$350 per day, plus expenses	Time of operation	If you are unable to, we may operate your Franchised Business to prevent harm to the Franchised Business.
Customer Complaint	Our cost	On demand	If we feel that you did not fairly handle a customer complaint, we may intervene and satisfy the customer. You must reimburse us for all costs associated with us servicing your customer.
Transfer Fee	50% of the then-current Franchise Fee	After our approval of transferee and before transfer	This transfer fee does not apply to an assignment of interest to a corporation you own.
Renewal Fee	25% of the then-current Franchise Fee	Payable upon signing the new franchise agreement	
Indemnification	Varies	To be determined	You must indemnify us and our designees from and against all loss, costs, expenses, damages and liabilities connected with the Franchised Business.
Cost of Enforcement or Defense	All costs, including attorneys' fees	Upon settlement or conclusion of claim or action	You will reimburse us for all costs in enforcing your obligations or defending any claim related to the Franchise Agreement.
Payment for Performing Work in Another Franchisee's Area of Primary Responsibility	10% of Gross Sales or as agreed	Upon receipt or as agreed	Payable to another franchisee. See Item 12 for more information.

NOTES:

[1] You pay all fees to us unless otherwise noted. All fees are non-refundable and are uniformly imposed unless otherwise noted.

Any interest owed begins to accrue from the date payment is due or the date of underpayment. No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any third party.

The following fees are our current charges. These fees may have increased or decreased in the Manual at the time of the charge, unless specifically given in your Franchise Agreement.

[2] "Gross Sales. Gross Sales means the total of all revenues from anything related to pavement maintenance, including, but not limited to, all sales of sports surface products, pavement maintenance products, equipment, repair services, rental, tools, supplies, including all delivery fees thereof (including such products, equipment, and services not currently offered as part of the System, whether approved or not) to customers of Franchisee (including deposits), all commissions received from other System franchisees or from us and sales derived from any other source, whether or not sold or performed at or from the Franchised

Business, and whether received in cash, in services in kind, from barter and/or exchange, on credit (whether or not payment is received) or otherwise. All barter and/or exchange transactions pursuant to which you furnish services and/or products in exchange for goods or services to be provided to you by a vendor, supplier or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the goods and/or services so provided to you. There will be deducted from Gross Sales (but only to the extent they have originally been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if such taxes are separately stated when the customer is charged and if such taxes are paid to the appropriate taxing authority. There will be further deducted from Gross Sales the amount of any documented refunds and other credits given in good faith to customers by you and any commissions paid to other SEALMASTER Franchised Businesses and sales made to Alternative Businesses.

[3] Additional Training. If you designate new or additional managers after the initial orientation and training program, we will provide training to them at our then-current rates. You will be responsible for all expenses, including travel costs, room and board and salaries, you or your employees incur in attending training programs. If you request additional training at our headquarters, you will give us, before the training session, a list of all training issues requiring attention. If we deem the additional training is necessary, we will not charge a fee for your attendance at the additional training; however, you will be responsible for your travel and living expenses in attending the training.

[4] Distribution Requirement. If there is another SEALMASTER business located within close proximity of your distribution area that does not have manufacturing capabilities (a "Distribution Facility"), you must supply the Distribution Facility with sealer products we designate (the "Designated Products"). You must sell the Designated Products to the Distribution Facility at a price no greater than your actual costs of raw materials (including shipping) and direct labor plus a 15% mark-up. We will not charge you a Royalty Fee or advertising contribution on the Gross Sales of such Designated Products to the Distribution Facility.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (see note 1)	Amounts for Start-Up Franchisee	Amounts for Conversion Franchisee	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee[1]	$35,000	$25,000	Lump Sum	Upon Execution of Franchise Agreement	Us
Lease/Security Deposit[2]	$4,000-$10,000	$0-$7,500	As Arranged	Before Occupancy	Landlord
Utility Deposits[3] Companies	$0-$2,000	$0-$2,000	As Arranged	Before Occupancy	Utility
Leasehold Improvements[4]	$1,000-$20,000	$0-$20,000	As Arranged	As Arranged	Approved Suppliers
Furniture, Fixtures and Equipment[5]	$8,000-$10,000	$0-$10,000-	As Arranged	As Arranged	Approved Suppliers
Initial Inventory[6]	$100,000-$150,000	$25,000-$100,000	As Arranged	As Arranged	Approved or Designated Suppliers, including Affiliate
Insurance[7]	$10,000-$30,000	$0-$30,000	As Arranged	As Arranged	Licensed Insurance Company
Plant Package[8]	$300,000-$400,000	$10,000-$300,000	As Arranged	As Arranged	Affiliate
Training[9]	$3,000-$5,000	$500-$3,000	As Arranged	As Arranged	Transportation Lines, Hotels and Restaurants

Type of Expenditure (see note 1)	Amounts for Start-Up Franchisee	Amounts for Conversion Franchisee	Method of Payment	When Due	To Whom Payment Is To Be Made
Grand Opening Advertising[10]	$2,000	$2,000	As Arranged	Initial 3 Months of Operation	Suppliers
Office Equipment & Supplies[11]	$0-$3,000	$0-$3,000	As Arranged	As Arranged	Approved Suppliers
Permits[12]	$0-$5,000	$0-$5,000	As Arranged	Before Opening	Government Agencies
Signage[13]	$1,800-$3,000	$1,800-$3,000	As Arranged	As Arranged	Approved Suppliers
Vehicles[14]	$0-$1,500	$0-$1,500	As Arranged	As Arranged	Approved Suppliers
Tanker[15]	$15,000-$25,000	$0-$25,000	As Arranged	As Arranged	Approved Suppliers, including Affiliate
Bulk Storage[16] Tanks	$0-$23,000	$0-$14,000	As Arranged	As Arranged	Approved Suppliers, including Affiliate
Rental Equipment[17]	$0-$50,000	$0-$50,000	As Arranged	As Arranged	Approved Suppliers
Additional Funds[18] (2 months)	$100,000-$150,000	$0-$50,000	As Arranged	As Arranged	You Determine
TOTAL	$579,800-$924,500	$64,300-$651,000			

NOTES

[1] Initial Franchise Fee

The initial Franchise Fees and Conversion Franchise Fee are detailed in Item 5 of this disclosure document, and are payable when you sign the Franchise Agreement. As disclosed in Item 5 the Franchise Fee will be lower for a second or additional franchise.

[2] Lease/Security Deposit

You will be responsible for renting premises suitable for the operation of a Franchised Business. The typical production facility Premises will require approximately 10,000 square feet of industrial space. The estimate contemplates the initial rent deposit. The rental expense may vary widely based on geographic location, size of the facility, local rental rates and other factors we anticipate. A conversion franchisee currently operates from a location we approve and may have no additional expense for rent.

[3] Utility Deposits

Utility companies may require that you place a deposit before you occupy the Premises and before installing telephone, gas, electricity and related utility services.

[4] Leasehold Improvements

The cost of construction and leasehold improvements depends upon the size and condition of the Premises, the nature and extent of leasehold improvements required, the local cost of contract work and the location of the Franchised Business. The range of figures set forth above includes the cost of reasonable renovation or leasehold improvements. Because a conversion franchisee likely will have a similar business in operation, the amounts represent the costs of remodeling the Premises.

[5] Furniture, Fixtures and Equipment

The equipment necessary for the operation of a Franchised Business is described in the Manual. You also must purchase or lease new or used fixtures for installation at the Premises. The fixtures necessary for the operation of a Franchised Business are listed in the Manual. A conversion franchisee may have some or all of the required furniture, fixtures and equipment in its existing operation, and therefore, may expend less to meet our specifications.

[6] Initial Inventory

Before the start of business operations, you will supply the Franchised Business with a representative inventory of pavement maintenance materials and products and related merchandise and services associated with the operation of the Franchised Business of the type and quantity we require in the Manual. A conversion franchisee may have some or all of its inventory requirements in its existing business.

[7] Insurance

You must obtain insurance policies of the types and with the limits as we require. If a conversion franchisee has insurance coverage on its existing business acceptable to us, a conversion franchisee will not be required to expend additional cash to obtain the required insurance coverage.

[8] Plant

The estimate contemplates the expense of production machinery.

[9] Training

We will provide you, your designated manager and your outside sales person with an initial orientation and training. You will need to arrange transportation and pay the expenses for meals and lodging for you and your employees attending the training program. The amount spent will depend on a number of factors, including the distance you must travel and the type of accommodations you choose.

[10] Grand Opening Advertising

During the first 3 months of operation of the Franchised Business, you must spend $2,000 for approved grand opening advertising, marketing and promotional activities, although you may spend more.

[11] Office Equipment and Supplies

Before the start of operations of the Franchised Business, you must purchase an assortment of office equipment and supplies as we describe in the Manual. The cost ranges from zero to $3,000 because you may already have office equipment in place, or only be replacing office equipment.

[12] Permits

You must comply with applicable laws and regulations. We anticipate that you will require the following type of permits: boiler permit, building permit, occupancy permit, business permit, sales tax permit and other applicable local permits, although we do not guarantee that these are the only types of permits or licenses which will be required.

[13] Signage

The cost of signage will vary based on the supplier of the signage, location of the business, local laws, the landlord’s signage requirements and ordinances and other similar factors.

[14] Vehicles

The low estimate assumes your salespeople own their own vehicle. The high estimate represents the down-payment on a vehicle lease.

[15] Tanker

The lower estimate represents the down-payment on a lease. You must purchase at least 1 tanker when you begin operating your Franchised Business. After your first year, you must add 1 tanker or bulk storage tank each year for the next four years.

[16] Bulk Storage Tanks

See Note 15.

[17] Rental Equipment

You may be able to obtain financing for this equipment from third parties.

[18] Additional Funds

The additional funds amount is projected as sufficient to cover initial operating expenses, including employee's salaries for 2 months and facility setup. We have based this estimate on the experience of Affiliate and our franchisees, and believes that this 2 month initial phase is a reasonable period for the industry. However, we cannot guarantee that this amount will be sufficient. In addition, you must have on hand sufficient amounts of cash to provide the services offered at the Franchised Business.

We anticipate that you will incur the above estimated initial expenditures in connection with the establishment of a Franchised Business. Additional factors related to each expenditure category are described in the notes.

The initial investment required to establish a conversion franchise and to begin operating the Franchised Business may be lower than the amounts to be expended by a start-up Franchised Business.

We do not offer financing to franchisees. Any fees paid to us are not refundable except as outlined in Items 5 and 6 of this disclosure document; fees paid to any third party may be refundable, depending on the contracts between the third party and you.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The SEALMASTER Proprietary Products

We and ThorWorks Industries, Inc., our Affiliate, have developed and may continue to develop and specially formulate certain pavement maintenance and sports surface products and related equipment. You must use and offer for sale the Proprietary Products we designate. We will (i) manufacture and supply the Proprietary Products to franchisees directly or through a limited number of authorized suppliers; and/or (iii) disclose the formulae for and methods of preparation of the Proprietary Products to a limited number of suppliers authorized to manufacture the Proprietary Products to our precise specifications and sell the Proprietary Products to our franchisees. You must purchase the Proprietary Products from our authorized suppliers which may include us or our Affiliates. Currently, our Affiliate is the sole supplier of certain Proprietary Products. You must carry an adequate supply and maintain a representative inventory of the Proprietary Products as required by the Manual. You must maintain, carry and promote the Proprietary Products for use in servicing the general public in order to meet customer demand.

You must offer for sale, use, sell and provide at the Franchised Business the Proprietary Products and related products and services that we authorize and will not, without our written permission, offer for

sale, sell or provide any other products or services. You will also offer to rent equipment to customers of the Franchised Business.

In addition, you must purchase the Plant Package from our Affiliate.

Approved Suppliers/Supplies

We will give you a list of approved suppliers authorized for the Franchised Business ("Approved Suppliers List") and a list of approved inventory, products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Franchised Business ("Approved Supplies List"). We and our Affiliate are approved suppliers. If you would like to sell or use any product, material or supply or purchase any products from a supplier not on either of these lists, you must notify us and may need to submit samples and other information to us so that we can make an informed decision as to whether the product or supplier meets our standards and specifications. You may be charged for the costs of our decision. We will approve or disapprove a supply or supplier in writing within 60 days. Our criteria for approving a supplier or supply is based upon our and our Affiliates' years of experience and vary from state to state according to product availability, cost, freight, and state standards.

Before you open the Franchised Business, you must adequately supply the Franchised Business with a representative inventory of pavement maintenance materials and products and related merchandise associated with the operation of the Franchised Business. You must maintain levels of inventory that will permit operation of the Franchised Business at maximum capacity, as determined by us.

Real Estate: Franchise Agreement

You must purchase or lease a suitable site for the Franchised Business. Before you lease or purchase any site for the Premises, you must submit a description of the proposed site to us along with a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the proposed site.

After receiving our written approval of the location of the Franchised Business, you must sign a lease or binding agreement to purchase the site, the terms of which we have previously approved. Our approval of the lease will be conditioned on lease terms acceptable to us.

After obtaining possession of the site for the Franchised Business, you must submit a site survey and architectural plan modifications to us, obtain all required zoning changes, permits and licenses, purchase or lease equipment, fixtures, furniture and signs, complete construction, installation, remodeling and decorating of the Franchised Business, obtain all customary contractor's sworn statements and waivers of lien for construction, remodeling, decorating and installation services and otherwise complete development of and have the Franchised Business ready to open and begin business.

You must make no material alterations or modifications to the Premises and you cannot replace or alter the equipment, fixtures or signs of the Franchised Business without our prior written approval.

You must install a sign, which complies with our specifications, on the outside front of the Premises.

Real Estate: Conversion Franchise Agreement

Before you sign the Conversion Franchise Agreement and Franchise Agreement, you must give us information pertaining to the existing site of your business. This information may include a map and written description of the existing site, photographs of the existing location, the lease for the location and any other information we deem appropriate.

Within 30 days after you sign the Franchise Agreement, you must give us a copy of the lease for the location of the Franchised Business. If you renew the lease during any term of the Franchise Agreement,

you will obtain a lease from your landlord containing the provisions required in the Franchise Agreement and submit the lease to us for approval.

Immediately after you sign the Franchise Agreement, we will give you the design criteria for the Premises. You must construct, renovate or improve the Premises, including the installation of fixtures, equipment, signage as is necessary to comply with our specifications and obtain our approval.

Before you open the Franchised Business, you must remove all equipment and supplies which do not comply with the System, which we do not approve, or which do not meet the standards and specifications described in our Manual.

You must identify and represent your business as a Franchised Business through the use and display of our Marks. During a period of 1 year only from your beginning of business as a SEALMASTER franchisee, you may display, with our prior written approval, secondary signage of the size, content and style as we describe in our Manual to advise the public of your former trade name.

Insurance

You must obtain, at your expense, and maintain insurance policies in the amount and types of coverage described in our Manual. All insurance policies must be issued by an insurance carrier acceptable to us and must name us and our affiliates as an additional insured in each policy. You must provide us with a Certificate of Insurance showing compliance with our insurance requirements at least 2 weeks before you take possession and commence development of the Premises. The certificate must state that the policy or policies will not be cancelled or materially altered without at least 30 days prior written notice to us. The certificate must reflect proof of payment of premiums. We may modify the minimum insurance requirements and notify you of the changes in writing.

Vehicles

We will provide you with specifications for trucks, vans, tankers and other motor vehicle(s) required for the Franchised Business. You will need an appropriate vehicle for making sales calls, such as a basic passenger truck and one or more road tankers with the capacity to transport approximately 4,300 to 4,400 gallons of pavement products. You may purchase or lease original and replacement motor vehicle(s) from any source, provided they meet our established standards.

You will maintain the interior and exterior of the motor vehicle(s) used in the Franchised Business in good repair, attractive appearance, sound operating condition and equipped according to our specifications. At our request, you will make necessary repairs and equipment modifications or additions to your motor vehicle(s) used in the Franchised Business.

The motor vehicle(s) you use in the Franchised Business must be capable of prominently providing the external display of SEALMASTER advertising copy, and this display must be maintained in good appearance. Additional sales, advertising or display information can be placed on the motor vehicle(s) only with our prior written approval.

Computer System

You must record all business activities on computer hardware and software we require. You must use computer systems and programs which are fully compatible with any computer program or system which we, in our discretion, may employ. See Item 11 for further information.

Miscellaneous

We estimate that approximately 80% to 85% of your initial investment and 90% to 95% of your ongoing costs will be subject to sourcing restrictions (that is, for which suppliers must be approved by us, or which must meet our standards or specifications).

We and/or Affiliate are approved suppliers of all Proprietary Products and other products that you will use and offer for sale in your Franchised Business. One of our officers owns an interest in our Affiliate. No other officers own a material interest in any suppliers.

We did not receive revenues from franchisee purchases or leases in the last year. For its fiscal year ended March 31, 2022, our Affiliate received revenues from franchisee required purchases or leases of $44,465,587.27 or 46% of Affiliates' total revenues of $95,516,655.03. This information comes from Affiliate's financial statements.

We also reserve the right to receive commissions or rebates of 1% to 10% or more from your purchases from approved suppliers of the following: Proprietary Products, tools and accessories, pavement maintenance equipment, asphalt emulsions, asphalt cements, fibers, packaging materials, fillers and pigments, emulsifiers, latexes, and other chemicals/raw materials that may be used in manufacturing SEALMASTER products.

We and our Affiliate will charge a mark-up of approximately 10% to 50% or more on products for which we or our Affiliate are approved suppliers. We currently negotiate purchase arrangements with suppliers. Our criteria for approving a supplier includes: availability of products, location, quality of products and services offered, price and economics, ability to deliver and private label, and other factors listed in the Manual. We do not provide material benefits (for example, renewal or additional franchises) to you based on your use of designated or approved suppliers. There are no purchasing or distribution cooperatives which you must join.

ITEM 9. FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATION

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

Obligation(1)	Section In Agreement	Disclosure Document Item
a. Site selection and acquisition	Sections 1(A), 3	Items 8, 11 and 12
b. Pre-opening purchases/leases	Sections 3(F), 4, 13(N); Conversion Franchise Agreement Section 3(B), 3(C)	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 3, 4; Conversion Franchise Agreement Section 3(D), 3(E)	Items 8 and 11
d. Initial and ongoing training	Section 5; Conversion Franchise Agreement Section 3(G)	Items 6 and 11
e. Opening	Section 13(B); Conversion Franchise Agreement Section 3(J)	Item 11
f. Fees	Sections 1(E), 1(G), 2(B), 5(C), 5(E), 5(F), 10(B), 10(C), 10(D), 10(E), 10(F), 11(A), 11(B), 12(E), 19(B); Conversion Franchise Agreement Section 2	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Sections 1(A), 1(F), 3, 4, 6, 7, 9, 10(A), 12(D), 12(E), 13; Conversion Franchise Agreement Section 3(F)	Items 8 and 11
h. Trademarks and proprietary information	Sections 1(D), 3(C), 6, 7, 8; Conversion Franchise Agreement Section 3(H), 4(A)	Items 13 and 14
i. Restrictions on products/services offered	Sections 13(E), 13(F), 13(G), 13(J), 13(K), 13(L)	Item 16
j. Warranty and client service requirement	Sections 13(H), 13(I), 13(J)	Items 6 and 8
k. Territorial development and sales quotas	Not Applicable	Item 12

Obligation(1)	Section In Agreement	Disclosure Document Item
l. Ongoing product/service purchases	Sections 3(I), 13(E), 13(F), 13(G), 13(J), 13(K), 13(L)	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 3(G), 3(H), 4(B), 4(D), 13(C), 13(I), 13(K)	Items 6 and 8
n. Insurance	Section 15	Items 6 and 8
o. Advertising	Section 10	Items 6 and 11
p. Indemnification	Section 23	Item 6
q. Owner's participation/ management/staffing	Sections 13(O), 13(P), 13(U)	Item 15
r. Records and reports	Sections 13(Q), 13(R), 12; Conversion Franchise Agreement Section 3(I), 10(D)	Items 8 and 11
s. Inspections and audits	Sections 12	Items 6, 8 and 11
t. Transfer	Sections 19, 20	Item 17
u. Renewal	Section 2(B)	Item 17
v. Post-termination obligations	Sections 16(C), 18	Item 17
w. Non-competition covenants	Sections 16(C); Conversion Franchise Agreement Section 4(B)	Item 17
x. Dispute resolution	Sections 29, 30	Item 17

(1) Unless specified otherwise, the following applies to both the franchise agreement and the conversion franchise agreement.

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.

A. Our Obligations Before the Franchised Business Opens:

1. Approve a location for the Franchised Business. (Franchise Agreement, Section 3(B))

2. Assist in identifying a location at our discretion. It is your sole responsibility to select a site and secure the location for your Franchised Business. (Franchise Agreement, Section 3(D))

3. We may provide to you, at cost plus a reasonable mark-up, construction and installation services to complete the site for your Franchised Business. (Franchise Agreement, Section 3(J))

4. Furnish to you at your Premises one of our representatives for 2 to 5 days to help with the opening of the Franchised Business, including training your personnel. (Franchise Agreement, Section 5(B))

5. Loan you a copy of the Manual which contains mandatory and suggested specifications, standards and procedures. The Manual is confidential and remains our property. We will modify the Manual, but the modification will not alter your status and rights under the Franchise Agreement. (Franchise Agreement, Section 7(A)) The Table of Contents of the Manual is attached to this disclosure document as Exhibit F. The total number of pages in the Manual is 340 pages.

6. Provide initial orientation and training, as described below. (Franchise Agreement, Section 5(A))

B. Our Obligations During the Operation of the Franchised Business:

1. If you request so, we may furnish to you, at your Premises and at your expense, additional assistance with the opening of your Franchised Business beyond the 5 days described above. (Franchise Agreement, Section 5(B))

2. You may use your own promotional materials at any time. However, you must submit to Company or its designated agency, for its prior approval, all promotional materials and advertising you will use, including newspapers, radio and television advertising and signs. If Company does not disapprove in writing any advertising or promotional item within 10 days of receipt, the particular materials will be considered approved. (Franchise Agreement, Section 10(A))

3. We will establish and provide you with guidelines for the grand opening advertising. (Franchise Agreement, Section 10(C))

4. We have developed an Advertising Fund to which you must contribute 1.5% of your Gross Sales at the same time and in the same manner as your Royalty Fee. These payments will not be credited to your local advertising costs. We (or our designee) will maintain and administer the Fund as follows: (Franchise Agreement, Section 10(B))

a. We will direct all advertising programs including their placement and allocation. The media coverage will be local, regional or national in scope and will be provided initially by our in-house advertising department and local advertising agency. We do not promise to make expenditures for you which are equal or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising.

b. Our businesses will make contributions to the Fund. All franchisees will contribute to the Fund at the same rate, except for certain franchisees operating under previous versions of the Franchise Agreement or a supplemental agreement that may contribute a smaller percentage of Gross Sales.

c. The monies in the Fund may be used to meet any costs of maintaining, administrating, directing and preparing advertising. All sums you pay to the Fund will be used for Fund purposes and will not be used to defray our general operating expenses or the solicitation of additional franchises. We may be reimbursed for our expenses in administering the Fund.

d. We may terminate the Fund at any time. However, the Fund will not be terminated until all its monies have been used for advertising purposes or distributed back to franchisees.

e. An unaudited accounting of the Fund will be made annually and a statement of income and expenses for the most recent fiscal year will be made available to you at your request. We do not audit the Fund.

f. We may spend in any fiscal year an amount greater or less than the aggregate contributions to the Fund and be reimbursed from the Fund.

For the previous fiscal year, Advertising Fund expenditures were made as follows:

Use of Advertising Fund in Most Recent Fiscal Year (Percentage of Total Fund Expenditures)	
Tradeshows, Programs, Partnerships	19%
Print, Digital, TV & Other Advertising	76%
Franchise Event/Advertising Reimbursement	5%
Other	0%
Total	100%

We did not use any Advertising Fund expenditures to directly solicit new franchisees.

g. Although not obligated to do so, we may create a Cooperative Advertising program for the benefit of all SealMaster Franchise Businesses located within a particular geographic area. We have the right to (a) allocate any portion of your Marketing Fund Contributions; and (b) collect and designate all or a portion of your required Local Advertising expenditures for a Cooperative Advertising program. Our SEALMASTER businesses will contribute at the same rate as SealMaster Franchise Businesses. We have the right to determine the composition of all geographic territories and market areas to implement Cooperative Advertising and promotion campaigns and require you to participate in such Cooperative Advertising programs that we establish. If a Cooperative Advertising program is implemented for a particular region, we reserve the right to establish an advertising council for a particular region to administer the Cooperative Advertising program. You agree to participate in such council according to the council's rules and procedures and to abide by the council's decisions. We reserve the right to change, dissolve or merge any Cooperative Advertising programs if they are established. The Cooperative Advertising program will operate from written governing documents that will be available for your review. The Advertising Cooperative will not be required to prepare financial statements. (Franchise Agreement, Section 10(E))

h. We do not have an advertising council composed of franchisees that advise us on advertising policies.

5. We may update the Approved Supplies List and Approved Suppliers List. (Franchise Agreement, Section 13(J))

6. We will: (Franchise Agreement, Section 14(B))

a. Provide you with the Approved Suppliers List and Approved Supplies List; however, we make no representation or warranty that any particular approved supplier will be willing or able to sell to all franchisees;

b. Negotiate group rates on products and supplies as we deem necessary;

c. Attempt to coordinate equipment, product and supplies distribution for local, regional and national suppliers as we deem necessary;

d. Publish a periodic franchisee newsletter, if practical to do so; and

e. Offer contractor training, for a fee, to your customers.

7. We will make periodic visits to the Franchised Business to consult and assist you in all aspects of the operation of the Franchised Business. We may prepare and if we do, will provide you with a copy of written reports concerning these visits. (Franchise Agreement, Section 14(D))

8. We may furnish you with assistance concerning the operation of the Franchised Business, which may include guidance to you concerning prices, although you are not obligated to accept this guidance and may determine the prices charged by the Franchised Business. (Franchise Agreement, Sections 14(A) & (C))

9. We will provide specifications to you for the computer hardware, software and services you are required to use. We will have full access to all of your computer data, systems and related information and there are no contractual limits on our right to access such information. (Franchise Agreement, Section 12(D)) Data generated or stored on the computer system includes certain operational and financial information related to the Franchised Business, such as customer information. We currently recommend that you purchase an IBM-compatible P.C. and Sage or equivalent software. You may use any computer hardware or software that you currently own. You may purchase computer hardware or software from any source. We estimate that the cost of the computer hardware or software will range from $0 to

$3,000. Currently, we estimate that you will have no costs for annual optional or required maintenance or support contracts. We may require you to upgrade or update your computer system at any time.

We may vary standards for any System franchisee based upon the peculiarities of the particular site or circumstance or the variety of Approved Suppliers for the same or similar products throughout the United States or any other condition which we deem to be important to the successful operation of the Franchised Business.

C. Methods Used to Select the Location of the Franchised Business:

You are responsible for selecting the site for the Franchised Business within the area designated in the Franchise Agreement. Our approval of the site is required. We will approve or disapprove a potential site within 30 business days. (Franchise Agreement, Section 3(B)) If you and we cannot agree on a site, we may terminate the Franchise Agreement. See Item 5 for more information.

The methods we use in approving the location for the proposed site may include the following factors: accessibility to location by the way of major roadways, general condition of the Premises, building type and surrounding neighborhood.

D. Typical Length of Time Before Operation:

The typical length of time between the signing of the Franchise Agreement, or the first payment of any consideration for the franchise, and the opening of your Franchised Business is approximately 30 to 180 days after signing the Franchise Agreement. The factors that may affect this time include your ability to locate a site, complete training, and hire employees.

You must open your Franchised Business within 6 months after signing the Franchise Agreement unless we otherwise require or approve in writing. (Franchise Agreement, Section 13(B))

E. Training:

We will train up to three people, including you, your designated manager and your outside sales person, before the Franchised Business opens for approximately 2 to 3 weeks (1 week for conversions) as follows: (Franchise Agreement, Section 4(A))

TRAINING PROGRAM

Subject	Hours of Classroom Training	On-Site Job Training	Location
History/Philosophy SealMaster Corp.	2	--	Sandusky, Ohio
Overview Franchise Program/SealMaster	2	--	Sandusky, Ohio
What is Asphalt?	2	--	Sandusky, Ohio
SealMaster Proprietary Products	16	--	Sandusky, Ohio
Product Demonstration	6	--	Sandusky, Ohio
Sales/Marketing	12	--	Sandusky, Ohio
Establishing SealMaster Business	12	--	Sandusky, Ohio
Financial/Accounting Reporting	10	--	Sandusky, Ohio
Personnel/Office Procedures	10	--	Sandusky, Ohio
Product/Manufacturing Equipment Process	8	40	Sandusky, Ohio/Franchise Location

Mr. Richard Noon currently oversees our training program. Mr. Noon has over 40 years of experience in the pavement maintenance industry and has held the position of Marketing Director for SealMaster since 1991. Mr. Noon also is involved with Product Development for SealMaster. Mr. Noon was also a pavement maintenance contractor for 5 years from 1979 through 1984. We use the Manual and other written materials during the training program as instructional materials.

We do not charge for this training or service but all expenses you and your employees incur in attending the program, including travel costs, room and board expenses and employee's salaries will be your sole responsibility. You, your designated manager and your outside sales person must complete our training program to our satisfaction. We usually offer the training program once each year.

We may offer additional training especially tailored to your needs at your request. You must give us a list of issues which need attention. You will be responsible for your expenses in obtaining this training. (Franchise Agreement, Section 5(D))

We periodically may provide and, if we do, may require that you and your managers and/or employees attend and successfully complete refresher training programs or seminars at a location we designate. Attendance at refresher training programs or seminars will be at your sole expense. Attendance will not be required at more than 2 programs in any calendar year and will not collectively exceed 10 business days in duration during any calendar year. (Franchise Agreement, Section 5(F))

If you designate new or additional managers after the initial orientation and training program, we will provide training to these managers at our then-current published rates. All designated managers will be required to successfully complete the training program provided at our headquarters or at another location we designate. You will bear all costs incurred by your employees attending this training program. (Franchise Agreement, Section 5(E))

Conversion Franchisee

You must successfully complete our training program. You must complete all necessary pre-opening standards and specifications and begin operation of the Franchised Business within 60 days after you sign the Franchise Agreement and Conversion Franchise Agreement. (Conversion Franchise Agreement, Section 3(J))

ITEM 12. TERRITORY

You will receive a protected territory ("Area of Primary Responsibility") with an area outlined in the map attached to the Franchise Agreement as Exhibit A. You will operate the Franchised Business from a location we approve and must receive our permission before relocating within your Area of Primary Responsibility. You will be able to relocate the Premises if the lease for the site expires or terminates through no fault of your own, if the site is destroyed, condemned or otherwise becomes unusable or if you and we otherwise agree. You may establish more than one site to market and distribute SEALMASTER products with our prior consent.

The Area of Primary Responsibility will generally contain a population base of approximately 3,000,000 with a radius of approximately 80 miles. In rural areas, the population base may be as low as 500,000 and the radius as high as 250 miles. In urban areas, the radius may be as low as 30 miles. The geographic boundaries will be defined in terms of zip code boundaries, county boundaries, highways, physical landforms or other factors that we deem appropriate.

The type of franchise offered under this disclosure document is a manufacturing and distribution franchise. We retain the right to operate or grant others the right to operate sales and distribution and application businesses within your Area of Primary Responsibility without compensation to you, including Alternative Businesses.

Continuation of your territorial protection does not depend on the achievement of a certain sales volume, market penetration or other contingency. The Franchise Agreement does not give you the right of first refusal to acquire additional franchises within the Area of Primary Responsibility. You may solicit customers outside of your Area of Primary Responsibility without our written permission.

We will not operate or grant franchises to operate SEALMASTER businesses within the Area of Primary Responsibility. We may grant other franchises outside of the Area of Primary Responsibility.

Within the Area of Primary Responsibility, we or our affiliates may grant franchises distinct from the franchise offered in this disclosure document which may or may not use the Marks. We and our affiliates may service National/Regional accounts under the Marks or other marks. We and our affiliates may, both within and outside the Area of Primary Responsibility, sell at both wholesale and retail, all products and services which are not part of the System. We are not restricted by the Franchise Agreement from establishing other types of franchises or outlets or other channels of distribution, including the Internet, catalog sales, telemarketing or other direct marketing, selling or leasing similar products or services under the Marks or a different trademark without compensation for soliciting or accepting orders within your Area of Primary Responsibility.

You must concentrate your marketing and sales within your Area of Primary Responsibility. At a minimum, 75% of your Gross Sales must come from within your Area of Primary Responsibility, and you do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Area of Primary Responsibility. Additionally, you will not perform services nor offer for sale products or equipment for shipment outside the continental United States without the prior consent of Franchisor.

If a SEALMASTER franchisee generates and services an account or performs work in another SEALMASTER franchisee's area of primary responsibility, the SEALMASTER franchisee who generates and services the account will be required to pay (in the absence of any other mutually agreed arrangement) the franchisee in whose area of primary responsibility the service is performed an amount equal to 10% of the Gross Sales received from such account each time another SEALMASTER franchisee services such account, immediately upon receipt of payment for the same. SEALMASTER franchisees may re-negotiate the percentage between themselves. These provisions also apply to customers within your Area of Primary Responsibility who were serviced by another SEALMASTER franchisee before sale of the franchise. Failure to report service in another SEALMASTER franchisee's area of primary responsibility to the other SEALMASTER franchisee is grounds for termination of the Franchise Agreement. If there is a dispute between franchisees, our decision will be final. For purposes of clarification, this provision does not apply to sales made by Alternative Businesses.

We currently have and will continue to have National/Regional Accounts such as large original equipment manufacturers, private label manufacturers, distributors, retail chains and customers from a national catalog. We and Affiliate will administer these accounts. We will offer you the opportunity to service a National/Regional Account which has contracted with our Affiliate for services in or near the Area of Primary Responsibility. You may elect to service a National/Regional Account under terms we determine. If you elect not to service the National/Regional Account, we may do so without compensation to you.

In addition, we may enter into dealer license agreements ("Dealer License Agreements]") with road maintenance equipment dealers within your Area of Primary Responsibility to allow dealers to sell road maintenance products, parts and accessories under a trademark different than the Marks under which you operate ("Road Maintenance Equipment Dealer[s]"). You have the right to approve the establishment of any Road Maintenance Equipment Dealer to be established within your Area of Primary Responsibility, provided that such approval will not be unreasonably withheld. Road Maintenance Equipment Dealers likely will sell less than the full line of products as offered through the Franchised Business. You will receive 10% of the dealers' cost (not including any finance or license cost) for each product sold to the road maintenance Equipment Dealer.

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

ITEM 13. TRADEMARKS

We grant you the right to operate a Franchised Business under the principal trademark "SEALMASTER" and other Marks we may authorize you to use. Our Affiliate owns the principal

trademark "SEALMASTER" and has granted us a license to use, and license others to use, the Mark as described below.

Affiliate has been granted an effective registration of the following trademarks on the Principal Register of the United States Patent and Trademark Office (USPTO):

Trademark: "SealMaster"
Registration Number: 1,884,606
Registration Date: March 21, 1995

All affidavits of use have been timely filed.

There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceeding, any pending material litigation involving the trademarks, service marks, trade names, logotypes or other commercial symbols which are relevant to their use in this state or the state in which the Franchised Business is to be located.

Under a license agreement between us and Affiliate, Affiliate has granted us the exclusive right to use the Marks in the United States in connection with the operation of SEALMASTER businesses and the right to sublicense to franchisees the right to use the Marks. The license agreement is effective for 35 years beginning March 1, 1992, and may be terminated if we fail to correct a violation of the license agreement, improperly use the Marks, fail to file necessary reports, maintain proper records or seek protection in bankruptcy. The license agreement has been extended for an additional 5 year period. This agreement between us and Affiliate does not significantly limit our right to use or license the use of the Marks material to the franchise.

There are no infringing uses actually known to us that could materially affect the use of the trademarks, service marks, trade names, logotypes or other commercial symbols in this state or any other state in which the Franchised Business is to be located.

You will not receive any interest in the Marks. You may not at any time contest the validity or ownership of the Marks, including any Marks we authorize or license to you after you sign the Franchise Agreement.

Except as described above, there are currently no agreements which limit our right to use or license the use of the Marks.

You must notify us immediately when you learn about an infringement of or challenge to your use of our Marks. We will take action that is appropriate, and will control any litigation or proceeding. We are not required to defend you against a claim involving your use of the Marks.

You must modify or discontinue using any Mark upon direction to do so from us within a reasonable time after receiving notice from us.

You must not use any Mark or any portion of the Marks as part of any corporate or trade name, (other than as permitted in the Manual), or in any modified form, or in connection with the sale of any unauthorized service, or in any manner we do not authorize in writing.

We and our agents will have the right to enter and inspect your Franchised Business to make sure you are complying with our standards.

You must use proper trademark designations, as we direct, in using the Marks in the Franchised Business.

You must refrain from any merchandising, advertising or promotional practice which is unethical or may be injurious to our business, the Franchised Businesses or to the goodwill associated with the Marks.

You must not establish a Web site on the Internet in connection with your Franchised Business or using any domain name containing the words "SEALMASTER," "SPORTMASTER," "GEMSEAL" or any variation without our written consent. We retain the sole right to advertise on the Internet and create a Web site using the "SEALMASTER" and "SPORTMASTER" domain names. You acknowledge that we are the owner of all right, title and interest in and to such domain names as we will designate in the Manual. We retain the right to pre-approve your use of linking and framing between your Web pages and all other Web sites. If we request, you will within 5 days dismantle any frames and links between your Web pages and any other Web sites.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or copyrights are material to the franchise. If we acquire a patent or copyright, you must use this patent or copyright as we require.

We will grant you a license to use certain confidential information, patents and copyrightable material involving the sale of products and services under the Marks. The Manual is described in Item 11 of this disclosure document. Although we have not filed an application for copyright registration for the Manual, we claim a copyright to the information contained therein which is proprietary. You must promptly notify us when you learn of an unauthorized use of the confidential information or the Manual. We are not obligated to take any action against any unauthorized user of the confidential information or the Manual, but will respond to this information as we deem appropriate. We are not obligated to indemnify you for losses caused by a third party concerning your use of this information.

You will receive our confidential and trade secret information. You must maintain the confidentiality of this information and may not use such information in any other business in any manner we do not specifically authorize in writing.

You may divulge confidential information only to your employees who must have access to operate the Franchised Business. All information, knowledge and know-how which we designate as confidential will be deemed confidential for the purpose of the Franchise Agreement, except information you can demonstrate lawfully came to your attention before our disclosure of it, or which at the time of our disclosure to you, has lawfully become a part of the public domain through publication or communication by others.

Your employees that will have access to confidential information will have to sign confidentiality contracts. We will be entitled to seek equitable remedies, including injunctive relief, to protect our confidential information, Manual and proprietary Marks.

The Manual belongs to us and you must return it to us upon the expiration or termination of the Franchise Agreement.

You must keep the Manual updated and at the Franchised Business. If there is a dispute with the contents of the Manual, the terms of our master copy will control.

You must not use, in advertising or any other form of promotion, the copyrighted materials or Marks associated with us or the System without the appropriate notices.

You must maintain a current computer listing of the names and addresses of all customers of the Franchised Business. This customer listing and any copies will be our sole property. You must update the customer listing and supply a copy of the listing to us on a quarterly basis.

If you own a conversion franchise, you also must comply with the confidentiality provisions. All information regarding your customers before you sign the Franchised Agreement will be considered confidential information.

Additional information regarding confidentiality and covenants against competition can be found in Item 17.

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

You or a trained and competent employee acting as a full-time manager must directly supervise the Franchised Business. You must keep us informed of the identity(ies) of your manager(s). All managers of the Franchised Business you employ must successfully complete the initial orientation and training program. You will not engage in activities which conflict with your Franchised Business obligations.

Each of the shareholders, officers, partners, members and managers may be required to sign a nondisclosure and non-competition agreement in a form we approve to maintain the confidentiality of the Confidential Information and comply with our covenants not to compete.

You, any shareholder or member who owns 10% or more if you are a corporation or limited liability company, any general partner if you are a partnership, or your approved manager must devote full-time energy and best efforts to the management and operation of the Franchised Business. You may engage in other business activities which do not conflict with our covenants not to compete and which will take place outside the Premises.

Any shareholder or member who owns 10% or more if you are a corporation or limited liability company, or any general partner if you are a partnership, must sign a personal guarantee.

ITEM 16. RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You must offer all types of merchandise and services that we require for our franchises. You may not offer merchandise and services that we have not approved and you may not use the Premises for any unapproved activity. You must offer and rent equipment to customers of the Franchised Business.

You must comply with all the requirements listed in the Franchise Agreement, the Manual and any other written policy we provide to you. You must comply with the entire System.

We will not restrict you from serving customers, however, you cannot advertise outside of your Area of Primary Responsibility unless you have our written approval.

You will at all times conduct the Franchised Business in compliance with the System and stop providing services or using equipment, inventory, products or signs which we have not designated to be components of the System.

We have the right to add additional authorized products and services that you must offer. There are no limits on our right to do so per year.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section In The Franchise or Other Agreement	Summary
a. Length of the franchise term	Section 2(A)	The term of the franchise is 10 years from the date the Franchise Agreement is signed.
b. Renewal or extension of term	Section 2(B)	If you have complied with all of the provisions in the Franchise Agreement, you can renew for up to 3 additional successive terms of 5 years each.
c. Requirements for you to renew or extend	Sections 2(B), 2(C)	You may renew the Franchise Agreement if you have complied with all of the Franchise Agreement provisions; you maintain possession of the Premises; you have brought the Franchised Business into compliance with our current standards; you have given notice of renewal to us; you have satisfied all monetary obligations; you have signed a new agreement (which may contain materially different terms and conditions than your original franchise agreement); you have met current training requirements; paid the renewal fee; and you have signed a general release. You must give us written notice of your intent to renew between 12 to 18 months before the Franchise Agreement expires.
d. Termination by you	Section 17(A)	You may terminate the Franchise Agreement if you are in compliance and if we materially breach the Franchise Agreement and fail to cure within 30 days of receiving your written notice.
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	Sections 17(B), 17(C)	We may terminate the Franchise Agreement upon delivery of notice to you if you default under the terms of the Franchise Agreement.
g. "Cause" defined (curable defaults)	Section 17(C)	The following events constitute curable defaults: failure to open the Franchised Business; failure to correct unauthorized variance in the approved plans for the Franchised Business; failure to report service in another franchisee's area of primary responsibility and pay commission, failure to comply with any other provision of the Franchise Agreement and a default under any other agreement between you and us or our affiliates. You will have 30 days to cure these defaults.

Provision	Section In The Franchise or Other Agreement	Summary
h. "Cause" defined (non-curable defaults)	Section 17(B)	The following events constitute non-curable defaults: failure to pay amounts after 10 days written notice; failure to satisfactory complete the initial orientation and training program; a material misrepresentation or omission in application; conviction or no contest plea to a felony or other crime to hurt the reputation of you, the Franchised Business or us; misuse the Manual and confidential information; abandon the business for 2 business days; surrender control of business; understate Gross Sales by 2% or more; bankruptcy, insolvency or a general assignment for the benefit of creditors; misuse the Marks; and failure on 2 or more occasion within 12 months to submit reports or pay fees due.
i. Your obligation on termination/non-renewal	Section 18	Your obligations include: stop operations of the Franchised Business; assign any lease for the Premises to us; stop using the Marks; assign any assumed names to us; stop advertising as a Franchised Business; de-identify the Premises; turn over client lists and copies; pay all sums owed to us; pay all damages and costs we incur in enforcing provisions of the Franchise Agreement; turn over all manuals and other property of ours; turn over all signs to us; sell to us, at our option, all items bearing the Marks; and comply with the covenants not to compete.
j. Assignment of contract by us	Section 19(A)	There is no restriction on our right to assign.
k. "Transfer" by you definition	Section 19(B)	You may transfer the Franchise Agreement and all rights under the Franchise Agreement subject to certain restrictions.
l. Our approval of transfer by you	Section 19(B)	We have the right to approve all your transfers and the right of first refusal.
m. Conditions for our approval of transfer	Sections 19(B), 19(C)	Pay all amounts owed to us, transferee must meet our standards, pay us a transfer fee; transferee must attend training; at our option, transferee either agrees to assume your obligations under the Franchise Agreement or signs our then-current franchise agreement; sign a release; and observe all post-term obligations.
n. Our right of first refusal to acquire your business	Section 21	We have the right of first refusal to purchase your Franchised Business which is for sale, which terminates upon your death or incapacity or which terminates upon your default. We have the right to purchase your business for 15 days from date of delivery to you of a written offer by a third party. If no offer to purchase by a third party 6 months after we decline to exercise our right of first refusal, we have the right of first refusal again.

Provision	Section In The Franchise or Other Agreement	Summary
o. Our option to purchase your business	Section 18(J)	We have the option to purchase equipment, supplies, inventory, advertising materials and items bearing the Marks at lessor of your cost or fair market value.
p. Your death or disability	Section 20	Your heirs, beneficiaries, devisees or legal representative can apply to us to continue operation of the Franchised Business, or sell or otherwise transfer your interest in the Franchised Business within 180 days of your death or incapacity. If they fail to do so, the Franchise Agreement will terminate and we will have the option to buy the Franchised Business.
q. Non-competition covenants during the term of the franchise	Sections 16(B), 16(G); Conversion Franchise Agreement, Section 4(B)	You must not divert or attempt to divert any business or client to a competitor; perform any act which may harm the goodwill associated with the Marks and the System; or own or otherwise have any interest in any business (including a business you currently operate) of the manufacture and/or wholesale or retail sale, rental or distribution of pavement maintenance products and related products or any other products or services provided through the System.
r. Non-competition covenants after the franchise is terminated or expires	Sections 16(C), 16(G); Conversion Franchise Agreement, Section 4(B)	You must not own, operate or engage in a pavement maintenance business or any service provided through the System for 3 years after your Franchise Agreement is terminated within the Metropolitan Statistical Area (as defined by the U.S. Census Bureau) where the Premises or within a 500 mile radius of the Premises or the premises or any other SEALMASTER business.
s. Modification of the agreement	Section 9	The Franchise Agreement can be modified only by written agreement between you and us. We can modify or change the System through changes in the Manual.
t. Integration/merger clause	Sections 27, 28; Conversion Franchise Agreement, Section 1	Only the terms of the Franchise Agreement are binding (subject to state law) and may only be modified to the extent required by an appropriate court to make the Franchise Agreement enforceable. If the Franchise Agreement and Conversion Franchise Agreement conflict, then the Conversion Franchise Agreement applies. Nothing in the Agreements is intended to disclaim the representations we made in this disclosure document.
u. Dispute resolution by arbitration	Section 30	Except for certain claims concerning the confidential information or the Marks, all disputes must be arbitrated in Erie County, Ohio (subject to state law).

Provision	Section In The Franchise or Other Agreement	Summary
v. Choice of forum	Section 29(B)	Any action will be brought in the appropriate state or federal court in Erie County, Ohio (subject to state law).
w. Choice of law	Section 29(A)	Ohio law applies (subject to state law), except that disputes regarding the Mark will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1057 et seq.).

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

The financial performance representation included below reflects the Gross Sales (as defined in Item 6 and below in this Item 19) and cost of materials expense information for all Franchised Businesses (including their Manufacturing Facilities and their sales and distribution outlets) within the contiguous United States that were operating and reported, as required, their financial data during the entire 12 months ending September 30, 2022 (the "Reporting Period"). The information below does not include information for our 3 company-owned businesses that were in operation.

For the purpose of this Item 19, a "Manufacturing Facility" includes the main manufacturing facility and all sales and distribution outlets within the territory or territories it serves. There were 29 Manufacturing Facilities which served 43 territories during the Reporting Period. One Manufacturing Facility is not included in the table because they were not manufacturing for at least two years prior to the start of the fiscal year, one Manufacturing Facility was excluded because it only operates for two months of the year, and one Manufacturing Facility was excluded because it is located in Puerto Rico. Five sales and distribution outlets are not included because they were not operational for at least two years prior to the start of the fiscal year.

Table No. 1 shows Manufacturing Facilities which were open during the Reporting Period.

Table No. 1 – Manufacturing Facilities Open During the Reporting Period

Number of Manufacturing Facilities	26
Total Gross Sales	$284,724,542
Total Cost of Materials	$140,063,926

Table Notes:

1. The franchised Manufacturing Facilities included in the tables have been in operation for 3 to 28 years.

2. Cost of materials may vary by franchisee. Typically, it includes the total costs of any raw materials, equipment, tools, accessories, parts, and other products sold by the franchise. Cost of Materials does not include any other expenses, including royalty fees, national advertising contributions, advertising expenses, sales commissions, payroll, benefits, taxes, rent, supplies, utilities, professional services, insurance, equipment leases, repair and maintenance, bank charges, interest and all other expenses that a franchisee may incur in the operation of its Franchised Business.

3. Gross Sales means the total of all revenues from anything related to pavement maintenance, including, but not limited to, all sales of sports surface products, pavement maintenance products, equipment, repair services, rental, tools, supplies, including all delivery fees thereof (including such products, equipment, and services not currently offered as part of the System, whether approved or not) to customers of Franchisee (including deposits), all commissions received from other System franchisees or from us and sales derived from any other source, whether or not sold or performed at or from the Franchised Business, and whether received in cash, in services in kind, from barter and/or exchange, on credit (whether or not payment is received) or otherwise. There will be deducted from Gross Sales: (a) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if such taxes are separately stated when the customer is charged and if such taxes are paid to the appropriate taxing authority; (b) the amount of any documented refunds and other credits given in good faith to customers by you; (c) any commissions paid to other SEALMASTER Franchised Businesses; and (d) sales made to Alternative Businesses.

Additional Notes:

1. The revenue and expense information, in the tables above, was taken from the monthly sales reports and profit and loss statements submitted to us by our franchisees in the ordinary course of business. These reports have not been audited and we have not independently verified this information.

2. Many factors, including location of your SEALMASTER Franchised Business, the number of territories you own, the number of sales and distribution outlets you operate in addition to your manufacturing facility, construction and building costs, financing terms, local market conditions, insurance rates, applicable local and state taxes, wage rates, supply costs, management capabilities, the density of contractors in the area, length of time the franchised business has been in operation, local and regional weather patterns, and other factors, are unique to each SEALMASTER business and may significantly impact the financial performance of your Franchised Business. You must bear in mind that a newly opened business should not be expected to achieve sales volumes similar to that of an established business.

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

4. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

5. Other than the preceding financial performance representation, InFrasys, Inc. does not make any representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Rick Simon at 2520 South Campbell Street, Sandusky, Ohio 44870, (419) 621-8001, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
Systemwide Business Summary
For years 2020-2022

Business Type	Year(1)	Businesses at the Start of the Year	Businesses at the End of the Year	Net Change
Franchised(2)	2020	35	40	+5
	2021	40	42	+2
	2022	42	43	+1
Company-Owned	2020	6	3	-3
	2021	3	3	0
	2022	3	4	+1
Total Businesses	2020	41	43	+2
	2021	43	45	+2
	2022	45	47	+2

(1) Dates are as of our fiscal year end on September 30, 2020, 2021 and 2022.
(2) Many of these franchisees operate store fronts in addition to operating their Franchised Business from the Premises.

TABLE NUMBER 2
Transfers of Businesses From Franchisee to New Owners (Other than the Franchisor)
For years 2020-2022

State	Year(1)	Number of Transfers
Hawaii	2020	1
	2021	0
	2022	0
Massachusetts	2020	1
	2021	0
	2022	0
Michigan	2020	1
	2021	0
	2022	0
New Jersey	2020	1
	2021	0
	2022	0
North Carolina	2020	1
	2021	0
	2022	0
Pennsylvania	2020	1
	2021	0
	2022	0

State	Year(1)	Number of Transfers
South Carolina	2020	1
	2021	0
	2022	0
TOTAL	2020	7
	2021	0
	2022	0

(1) Dates are as of our fiscal year end on September 30, 2020, 2021 and 2022.

TABLE NUMBER 3
Status of Franchised Businesses
For years 2020-2022

State	Year[(1)]	Businesses at the Start of the Year [(2)]	Businesses Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Businesses at the End of the Year[(2)]
Alabama	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Alaska	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arizona	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
California	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	1	0	0
Colorado	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Connecticut	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Delaware	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Georgia	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Hawaii	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year[1]	Businesses at the Start of the Year [2]	Businesses Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Businesses at the End of the Year[2]
Idaho	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Illinois	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Indiana	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kansas	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kentucky	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maine	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maryland	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Massachusetts	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Michigan	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Minnesota	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Mississippi	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Missouri	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year[1]	Businesses at the Start of the Year [2]	Businesses Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Businesses at the End of the Year[2]
New Hampshire	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Jersey	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Mexico	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New York	2020	2	0	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
North Carolina	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Oklahoma	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Oregon	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Pennsylvania	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
South Carolina	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Tennessee	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Texas	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Utah	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Vermont	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Virginia	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year[1]	Businesses at the Start of the Year [2]	Businesses Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Businesses at the End of the Year[2]
Wisconsin	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Wyoming	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Puerto Rico	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
TOTAL	2020	35	5	0	0	0	0	40
	2021	40	2	0	0	0	0	42
	2022	42	2	0	0	1	0	43

(1) Dates are as of our fiscal year end on September 30, 2020, 2021 and 2022.
(2) Many of these franchisees operate store fronts in addition to operating their Franchised Business from the Premises.

TABLE NUMBER 4
Status of Company-Owned Businesses
For years 2020-2022

State	Year	Businesses at the Start of the Year	Businesses Opened	Businesses Reacquired From Franchisees	Businesses Closed	Businesses Sold to Franchisees	Businesses at the End of the Year
California	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	1	0	0	3
Florida	2020	2	0	0	0	2	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Ohio	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Texas	2020	1	0	0	0	1	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
TOTAL	2020	6	0	0	0	3	3
	2021	3	0	0	0	0	3
	2022	3	0	1	0	0	4

TABLE NUMBER 5
Projected Openings
As of September 30, 2022

State	Franchise Agreements Signed But Businesses Not Opened	Projected New Franchised Businesses in the Next Fiscal Year	Projected New Company-Owned Businesses in the Next Fiscal Year
Iowa	0	1	0
Washington	0	1	0
TOTAL	0	2	0

Exhibit C contains a list of the SealMaster Franchisees (including a list of the manufacturing facility Premises and a list of store fronts).

Exhibit D contains a list of those franchisees who have had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date.

If you buy a Franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provision restricting their ability to speak openly about their experience with the 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.

We have created the SealMaster Advisory Committee ("SMAC"). The SMAC is made up of 4 franchisees, 1 from each of the 3 regions of the United States (East, Central, West) and the most-recent past president of the SMAC. The regional members of the SMAC are elected by franchisees in that region. The SMAC serves in an advisory capacity only. The franchisee advisory board does not have separate contact information. Other than as described, there are no trademark-specific franchisee associations.

ITEM 21. FINANCIAL STATEMENTS

InFrasys, Inc.'s audited financial statements for fiscal years ended September 30, 2020, 2021 and 2022, are attached as Exhibit A. Also attached as Exhibit A are InFrasys, Inc.'s unaudited financial statements as of December 31, 2022.

ITEM 22. CONTRACTS

The "SEALMASTER" Franchise Agreement (with exhibits) as Exhibit B, the "SEALMASTER" Conversion Franchise Agreement as Exhibit C to the Franchise Agreement and the Franchisee Disclosure Questionnaire as Exhibit G are attached to this disclosure document. A copy of our sample general release is included in Exhibit H of this disclosure document.

ITEM 23. RECEIPTS

Our and your copies of the disclosure document receipt are located on the last two pages of the disclosure document.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

INFRASYS, INC.

FINANCIAL STATEMENTS

INFRASYS, INC.

FINANCIAL STATEMENTS

Years Ended September 30, 2022, 2021 and 2020

WILLIAM VAUGHAN

COMPANY

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WILLIAM VAUGHAN
COMPANY

INDEPENDENT AUDITOR'S REPORT

To the Director and Stockholder
InFrasys, Inc.
Sandusky, Ohio

Opinion

We have audited the accompanying financial statements of InFrasys, Inc. (the "Company"), which comprise the balance sheets as of September 30, 2022, 2021, and 2020, and the related statements of income, changes in stockholder's equity, 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 InFrasys, Inc. as of September 30, 2022, 2021, and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Maumee, Ohio
January 26, 2023

INFRASYS, INC.
BALANCE SHEETS
September 30, 2022, 2021 and 2020

ASSETS

	2022	2021	2020
Current assets			
Cash	$ 3,713,251	$ 6,975,546	$ 6,600,679
Accounts receivable	3,379,837	3,032,213	2,743,230
Assets held for sale	-	-	1,500,000
Prepaids and other assets	826,929	655,412	578,439
Contract asset - prepaid advertising fund expenses	-	-	498,994
Total current assets	7,920,017	10,663,171	11,921,342
Net property and equipment	280,991	292,791	305,683
Other assets			
Related party note receivable	88,833	-	-
Goodwill, net	15,821,625	17,863,125	20,074,750
Total other assets	15,910,458	17,863,125	20,074,750
Total assets	$ 24,111,466	$ 28,819,087	$ 32,301,775

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities			
Related party note payable	$ 900,000	$ 4,049,506	$ 4,089,337
Current portion of long-term debt	1,785,714	1,785,714	1,785,714
Other accrued expenses	444,984	551,116	528,433
Accounts payable	281,922	374,564	68,156
Contract liability - deferred revenue	64,249	60,916	63,625
Contract liability - advertising fund liability	529,276	59,628	-
Total current liabilities	4,006,145	6,881,444	6,535,265
Long-term liabilities			
Long-term debt, net of current portion	185,124	8,079,984	11,675,733
Other long-term liability	4,000,000	4,000,000	4,000,000
Long-term contract liability - deferred revenue	333,313	360,563	402,479
Total long-term liabilities	4,518,437	12,440,547	16,078,212
Stockholder's equity	15,586,884	9,497,096	9,688,298
Total liabilities and stockholder's equity	$ 24,111,466	$ 28,819,087	$ 32,301,775

See accompanying notes.

INFRASYS, INC.
STATEMENTS OF INCOME
Years Ended September 30, 2022, 2021 and 2020

	2022	2021	2020
Revenue			
Royalties	$ 15,175,297	$ 12,116,742	$ 9,606,056
Advertising fund contributions	4,706,661	3,838,700	3,011,075
Franchise fees	63,917	64,625	50,188
Other	890,000	890,000	290,000
	20,835,875	16,910,067	12,957,319
Operating expenses			
Advertising	4,984,974	4,123,591	3,115,076
Other	4,077,379	3,895,060	2,873,129
	9,062,353	8,018,651	5,988,205
Operating income	11,773,522	8,891,416	6,969,114
Non-operating income (expense)			
Gain on sale of assets	-	-	1,620,157
PPP loan forgiveness	-	950,450	-
Other income	66,069	-	77,803
Interest income	132,256	51,496	41,127
Interest expense	(314,259)	(162,064)	(61,247)
Total non-operating income (expense)	(115,934)	839,882	1,677,840
Net income	$ 11,657,588	$ 9,731,298	$ 8,646,954

See accompanying notes.

INFRASYS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
Years Ended September 30, 2022, 2021 and 2020

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance – October 1, 2019	$ 100	$ 74,900	$ 6,648,836	$ 6,723,836
Effect of adoption of ASC Topic 606 as of October 1, 2019			(261,292)	(261,292)
Net income	-	-	8,646,954	8,646,954
Distributions	-	-	(5,421,200)	(5,421,200)
Balance – September 30, 2020	100	74,900	9,613,298	9,688,298
Net income	-	-	9,731,298	9,731,298
Distributions	-	-	(9,922,500)	(9,922,500)
Balance – September 30, 2021	100	74,900	9,422,096	9,497,096
Net income	-	-	11,657,588	11,657,588
Distributions	-	-	(5,567,800)	(5,567,800)
Balance – September 30, 2022	$ 100	$ 74,900	$ 15,511,884	$ 15,586,884

See accompanying notes.

INFRASYS, INC.
STATEMENTS OF CASH FLOWS
Years Ended September 30, 2022, 2021 and 2020

	2022	2021	2020
Cash flows from operating activities			
Net income	$ 11,657,588	$ 9,731,298	$ 8,646,954
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Gain on sale of property and equipment	-	-	(1,620,157)
Depreciation and amortization	2,053,300	2,224,517	354,453
Noncash impact of adoption of ASC 606	-	-	(261,292)
PPP loan forgiveness	-	(950,450)	-
Changes in operating assets and liabilities:			
Accounts receivable	(347,624)	(288,983)	(926,791)
Contract asset	-	498,994	(498,994)
Prepaids and other assets	(171,517)	(76,973)	(60,366)
Accounts payable	(92,642)	306,408	46,102
Accrued and other accrued expenses	(106,132)	22,683	265,910
Contract liability – deferred revenue	(23,917)	(44,625)	466,104
Contract liability – advertising fund liability	469,648	59,628	(44,127)
Net cash provided by (used in) operating activities	13,438,704	11,482,497	6,367,796
Cash flows from investing activities			
Acquisition of business	-	-	(20,415,000)
Proceeds from sale of property and equipment	-	-	9,500,000
Sale (acquisition) of asset held for sale	-	1,500,000	(1,500,000)
Net activity on related party notes receivable/payable	(3,238,339)	(39,831)	(1,091,861)
Net cash provided by (used in) investing activities	(3,238,339)	1,460,169	(13,506,861)
Cash flows used in financing activities			
Proceeds from long-term debt	-	-	13,461,447
Payments on long-term debt	(7,894,860)	(2,645,299)	-
Distributions	(5,567,800)	(9,922,500)	(5,421,200)
Net cash provided by (used in) financing activities	(13,462,660)	(12,567,799)	8,040,247
Net increase (decrease) in cash and cash equivalents	(3,262,295)	374,867	901,182
Cash and cash equivalents at beginning of year	6,975,546	6,600,679	5,699,497
Cash and cash equivalents at end of year	$ 3,713,251	$ 6,975,546	$ 6,600,679
Supplemental Disclosure of Cash Flow Information			
Interest paid	$ 314,259	$ 162,064	$ 61,247

See accompanying notes.

Note 1 – Significant Accounting Policies

Nature of Business

InFrasys, Inc. (the "Company") was incorporated in Minnesota in 1991. In June 2003, the Company amended its articles of incorporation to change its name to InFrasys, Inc. The Company, headquartered in Sandusky, Ohio, offers franchises and licensing for the development and operation of businesses that sell asphalt sealing materials, specialty coatings, and related equipment throughout the world and various other activities.

Basis of Presentation

The financial statements of the Company have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates.

Cash

The Company maintains its cash in bank deposit accounts, which at times may exceed federal insurance limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk related to cash.

Accounts Receivable

Accounts receivable are stated at amounts estimated by management to be the net realizable value. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. No allowance for doubtful accounts was deemed necessary as of September 30, 2022, 2021 and 2020.

Property and Equipment

Property and equipment are recorded at cost. Assets are depreciated on a straight-line method over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

Goodwill

Goodwill has been recognized for the excess of the purchase price over the values assigned to the underlying identifiable net assets in relation to the acquisition per Note 2.

The Company has adopted the accounting alternative for goodwill available to private companies under FASB ASC 350-20. Accordingly, the Company amortizes goodwill on a straight-line basis over 10 years. The Company evaluates goodwill for impairment at the entity level when a triggering event occurs that indicates that the fair value of the entity may be below its carrying amount.

Note 1 – Significant Accounting Policies (continued)

Goodwill (continued)

No triggering events occurred during the years ended September 30, 2022, 2021, and 2020, that required goodwill impairment testing and, accordingly, no impairment loss was recorded in fiscal year 2022, 2021, or 2020.

Accumulated amortization was $4,593,375, $2,551,875, and $340,250, for the years ending September 30, 2022, 2021, and 2020, respectively. Amortization expense was $2,041,500, $2,211,625, and $340,250, for the years ending September 30, 2022, 2021 and 2020, respectively. Amortization expense will be approximately $2,041,000 for the years ending September 30, 2022 through 2029 and $1,701,000 for the year ending September 30, 2030.

Advertising Fund Liability

Prior to the adoption of ASU 2014-09, Revenue from Contracts with Customers, the Company had an advertising fund whereby franchisees contributed a percentage of their gross sales for national advertising and development. As advertising-related expenses were incurred, the liability was reduced in accordance with provisions of the franchise agreement.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers and subsequent amendments to the initial guidance ("Topic 606"). Topic 606 supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and requires entities to recognize revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company recognizes revenue when performance obligations under the terms of contracts with customers are satisfied, which occurs with the transfer of control of the Company's products or the completion of services. The Company's revenue mainly consists of franchise fees, royalties and advertising fund contributions.

In accordance with the new guidance, the initial franchise services, including site selection, training, systems implementation, and design of a quality control program, are not distinct from the continuing franchise rights or services offered during the term of the franchise agreement and are, therefore treated as a single performance obligation. As such, initial franchise fees received, previously recognized upon opening of the respective franchise, are recognized over the franchise or renewal term, typically ten years.

The sales-based royalty fees and sales-based advertising fund contributions are considered variable consideration and are recognized as revenue as the related sales occur. The Company's previous accounting policy was to recognize advertising fund activity on a net basis within the balance sheet. Under the new guidance, the Company presents advertising contributions received as advertising fund contributions and records expenses of the advertising fund within advertising in the Statement of Income, resulting in an increase in revenues and expenses on the Statement of Income, with no change to the Balance Sheet.

Note 1 – Significant Accounting Policies (continued)

Revenue Recognition (continued)

Advertising fund expense, which is recorded as the obligation to contribute to the advertising fund is generally accrued when the associated revenue is recognized. Advertising fund expense was approximately $4,213,400, $3,279,000, and $3,011,000 for the years ending September 30, 2022, 2021, and 2020, respectively. Advertising expenses not paid from the advertising funds, which are expensed as incurred and included in advertising expense in the Statements of Income, were $278,313, $284,891, and $104,001 for the years ending September 30, 2022, 2021 and 2020, respectively.

Advertising services provided in advance of receiving the advertising fund contributions are recorded as a contract asset as the Company may be reimbursed from future advertising fund contributions. There was no contract asset at September 30, 2022 and 2021. The contract asset at September 30, 2020 was $498,994. Advertising fund contributions received in advance of advertising services are included in advertising fund liability within contract liabilities. The contract liability for advertising funds as of September 30, 2022, 2021, and 2020, was $529,276, $59,628, and $0, respectively. Contract liabilities also include deferred revenue related to franchise fees, which are collected upon execution of the franchise agreements, to be recognized over the term of the franchise agreement. Contract liabilities related to deferred revenues were $397,562, $421,479, and $466,104 at September 30, 2022, 2021, and 2020, respectively.

The Company adopted this standard on October 1, 2019 using the modified retrospective transition method. Under the modified retrospective method, the Company recognized the cumulative effect of initially applying this standard as an adjustment to opening retained earnings at the date of initial application. The cumulative impact of adopting Topic 606 on October 1, 2019 was decrease in retained earnings and an increase in contract liability – deferred revenue of $261,292. The Company has also expanded its disclosures consistent with the requirements of the new standard.

Income Taxes

Pursuant to provisions of the Internal Revenue Code, the Company has elected to be taxed as an S corporation. Generally, the income of an S corporation is not subject to federal income tax at the corporate level, but rather the stockholder is required to include a pro-rata share of the corporation's taxable income or loss in their personal income tax returns, irrespective of whether dividends have been paid. Accordingly, no provision for federal income taxes has been made in the accompanying financial statements.

In accordance with the rules under Subchapter S of the Internal Revenue Code, the Company has elected to retain its fiscal year status for tax purposes. Under current tax law, the Company is required to make payments to compensate for the revenue deferred through the use of a fiscal year. The payments are refundable when the deferral no longer exists. The Company has refundable payments outstanding of approximately $798,000, $638,000, and $559,000 as of September 30, 2022, 2021 and 2020, respectively.

The Company classifies interest and penalties associated with tax liabilities as interest expense and operating expenses, respectively, in the accompanying financial statements.

Note 1 – Significant Accounting Policies (continued)

Upcoming Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, "Leases." This update requires that lessees recognize assets and liabilities on the balance sheet for the rights and obligations created by all leases with terms of more than 12 months. This update will also require disclosures designed to give financial statement users information on the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include both qualitative and quantitative information. The original effective date for this update would have required adoption by the Company in fiscal 2021, with earlier adoption permitted. In November 2019, the FASB issued ASU 2019-10, "Financial Instruments-Credit losses, Derivatives and Hedging, and Leases," which defers the effective date of ASU 2016-02 for one year and permits early adoption in accordance with the original effective date of ASU 2016-02. In June 2020, ASU 2020-05,"Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)" was issued, which deferred the effective date of ASU 2019-10 for an additional one year and continues to permit early adoption. The Company is still evaluating the impact this update will have on its financial position and results of operations.

Date of Management's Review

Management of the Company has evaluated subsequent events through January 26, 2023, the date which the financial statements were available to be issued.

Note 2 – Acquisition

In June 2020, the Company acquired 100% of the intellectual property of the GemSeal brand from Gem Asset Acquisition LLC and Gem Distribution LLC. The business conducted under the brand involves manufacturing and selling pavement sealant products and equipment. The transaction has been accounted for under the purchase method of accounting for financial reporting purposes. The Company utilized cash on hand and cash proceeds from a related party note payable to complete the purchase.

In connection with the transaction, the Company elected to adopt the private company accounting alternatives for the accounting for goodwill and identifiable intangible assets found in the FASB's Accounting Standards Updates (ASU) 2014-02 "Accounting for Goodwill – Consensus of the Private Company Council" and 2014-18 "Accounting for Identifiable Intangible Assets in a Business Combination – Consensus of the Private Company Council." The election of these private company alternatives simplifies the accounting for the transaction including limiting the determination of identifiable intangible assets and the accounting for goodwill. The total purchase price of $20,415,000 has been allocated to goodwill.

Transaction costs related to the acquisition of approximately $112,000 are included in other operating expenses in the Statement of Income for the year ended September 30, 2020.

Note 3 – Common Stock

Common stock consists of 1,000,000 authorized shares of $0.01 par value stock. As of September 30, 2022, 2021 and 2020, there were 10,000 shares issued and outstanding.

Note 4 – Property and Equipment

Property and equipment are comprised of the following as of September 30:

	2022	2021	2020
Land	$ 70,000	$ 70,000	$ 70,000
Buildings and improvements	458,918	458,918	458,918
Machinery and equipment	166,882	166,882	166,882
Transportation equipment	18,349	18,349	18,349
Furniture and fixtures	45,001	45,001	45,001
Total cost	759,150	759,150	759,150
Less: accumulated depreciation	478,159	466,359	453,467
Net property and equipment	$ 280,991	$ 292,791	$ 305,683

Depreciation expense was approximately $12,000, $13,000, and $14,000 for the years ended 2022, 2021 and 2020, respectively.

Note 5 – Long-term Debt

Long-term debt consists of the following at September 30:

	2022	2021	2020
Note payable to stockholder, unsecured, annual principal payments of $1,785,714 plus variable interest (2.91% as of September 30, 2022), due June 2027.	$ 1,970,838	$ 9,865,698	$ 12,510,997
Small Business Administration (SBA) Paycheck Protection Program loan. See further details disclosed below.	-	-	950,450
Total	1,970,838	9,865,698	13,461,447
Less: current portion of long-term debt	1,785,714	1,785,714	1,785,714
Long-term debt	$ 185,124	$ 8,079,984	$ 11,675,733

Annual maturities of long-term debt are as follows as of September 30:

2023	$ 1,785,714
2024	185,124
	$ 1,970,838

Note 5 – Long-term Debt (continued)

Paycheck Protection Program Loan

In April 2020, the Company received loan proceeds in the amount of $950,450 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after twenty-four weeks as long as the loan proceeds are used for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness could be reduced if employees are terminated or salaries are reduced during the twenty-four week period (unless a different period was used).

On May 10, 2021, the Company was notified of full forgiveness of the loan proceeds and accordingly during the year ended September 30, 2022, the Company recognized a gain of $950,450 in other income.

Note 6 – Other Long-Term Liability

In relation to the sale of certain inventory, property and equipment, the buyer of those assets acquired an option for $4,000,000 to purchase additional assets valued at the option price from the Company. If the Company sells the assets within the option period of ten years, the Company is obligated to return the option price to the buyer. If the buyer does not exercise the option within ten years, then the Company is no longer obligated to return the option price to the buyer.

Note 7 – Related Party Transactions

ThorWorks Industries, Inc. (ThorWorks), a related party through common ownership, manufactures and sells many of the products sold by franchisees. The Company shares certain business resources with ThorWorks and costs are allocated by management of the Company and the related party. Payments are made to and from the Company and ThorWorks related to various operating activities. This activity is accounted for under an unsecured note receivable, which bears interest at a variable interest rate and is due on demand.

Aside from the operating activity, the Company has an unsecured note payable due to ThorWorks payable upon demand, with interest at a variable rate.

Note 7 – Related Party Transactions (continued)

The transactions with Thorworks for the years ended September 30, are as follows:

	2022	2021	2020
Note receivable from/(payable to) ThorWorks	$ 88,833	$ (2,524,506)	$ (2,814,337)
Note receivable from/(payable to) ThorWorks - Ad Fund	(900,000)	(1,525,000)	(1,275,000)
Interest income from/(expense to) ThorWorks	(182,003)	(110,568)	(20,120)
Ad fund receipts from ThorWorks	304,000	169,000	169,000
Rent revenue received from ThorWorks	90,000	90,000	90,000
Rent expense paid to ThorWorks	$ 12,000	$ 12,000	$ 25,000

Note 8 – Retirement Plans

The Company participates in a 401(k) plan sponsored by an affiliated entity, which covers substantially all employees. The sponsor has the option of making discretionary contributions and can also match employees' contributions to the Plan up to a predetermined limit. The Company's contributions to the Plan totaled approximately $54,000, $52,000, and $35,000 for the years ended September 30, 2022, 2021 and 2020, respectively.

Note 9 – Franchising

The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The franchise and certain license agreements require the franchisee to pay an initial, nonrefundable franchise fee generally ranging from $17,500 to $35,000, continuing royalty fees, and marketing contributions based upon a percentage of sales. Subject to the Company's approval, a franchisee may generally renew its agreement upon its expiration. Direct costs of sales and servicing of franchise agreements are charged to general and administrative expenses as incurred.

Information about the number of franchise locations is as follows:

	2022	2021	2020
Franchise locations:			
New locations	2	2	5
Franchises forfeited	-	-	-
Transfers of existing franchisees	(1)	-	-
In operation as of September 30	43	42	40
Company-owned locations:			
In operation as of September 30	3	3	3

Note 10 – Contingencies

During the normal course of its business, the Company is subject to certain legal proceedings and claims. In the opinion of management, the eventual outcome of the current proceedings and claims against the Company will not materially affect its financial position or results of operations.

Unaudited Balance Sheet
and Income Statement
as of December 31, 2022

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

InFrasys, Inc.
Balance Sheet
As of 12/31/2022

	Year to Date	Prior Year to Date
Current Assets	$ 7,680,546	$ 4,478,410
Fixed Assets	15,589,347	17,642,428
Other Assets	6,963,286	6,606,567
Total Assets	$ 30,233,179	$ 28,727,405
Current Liabilities	3,760,216	2,788,389
Long-term Liabilities	11,324,266	16,544,698
Equity	15,148,698	9,394,318
Total Liabilities & Equity	$ 30,233,179	$ 28,727,405

InFrasys, Inc.
Income Statement
For the 3 Periods Ended 12/31/2022

	Period to Date	Prior Year Period to Date	Year to Date	Prior Year to Date
Revenue	$ 505,614	$ 537,801	$ 3,439,773	$ 3,048,344
Expenses				
Selling	169,826	305,447	1,220,602	805,153
Operating	283,055	326,776	841,867	904,915
Other (Income) & Expenses	21,945	25,921	26,593	32,255
Total Expenses	474,825	658,144	2,089,062	1,742,322
Net Income	$ 30,789	$ (120,343)	$ 1,350,711	$ 1,306,022

EXHIBIT B TO THE DISCLOSURE DOCUMENT

INFRASYS, INC.

FRANCHISE AGREEMENT (and exhibits)

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B. GUARANTY AND ASSUMPTION OF OBLIGATIONS
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INFRASYS, INC.

FRANCHISE AGREEMENT

This Franchise Agreement ("this Agreement"), made this _____ day of _____, 20___ ("Effective Date"), by and between InFrasys, Inc., a corporation formed under the laws of the State of Minnesota and having its principal place of business at 2520 S. Campbell Street, P. O. Box 2218, Sandusky, Ohio 44870 ("Franchisor"), and _____ ("Franchisee"), a _____ corporation doing business at _____.

RECITALS

A. Franchisor and its affiliates have developed and own a system ("System"), identified by the mark "SEALMASTER," relating to the establishment, development and operation of facilities for: (i) the manufacture of pavement sealers, (ii) the marketing and sale of a full line of pavement maintenance products, sports surface products and related equipment and tools, as outlined in the then-current SealMaster catalog, and (iii) rental of the same pavement maintenance equipment, both (ii) and (iii) solely to contractors, public works departments and others responsible for pavement maintenance using the proprietary products and equipment according to Franchisor's specifications, standards and techniques, as described in the Franchise Operations Manual(as defined in Section 7(A)), or otherwise in writing (the "Standards").

B. Franchisor's affiliate, ThorWorks Industries, Inc. ("TWI"), is the owner of the right, title and interest together with all the goodwill connected thereto in and to the trade name, trademarks and service marks "SEALMASTER," and related trademarks, service marks, logos and commercial symbols, and such other trade names, trademarks and service marks, logos, commercial symbols and slogans, as are now, or in the future, designated by Franchisor as an integral part of the System (the "Marks"). TWI has granted Franchisor the right to use, and to sublicense its franchisees to use, the Marks in the operation of SEALMASTER businesses.

C. Franchisor grants to qualified persons franchises to own and operate SEALMASTER manufacturing, sales and rental facilities utilizing the System and Marks (as described under A and B above), and using proprietary SEALMASTER specially formulated pavement maintenance and sports surface products and equipment (the "Proprietary Products").

In consideration of the undertakings and commitments of each party to the other stated in this Agreement, the parties agree as follows:

1. APPOINTMENT AND FRANCHISE FEE

A. Franchisor grants to Franchisee, upon the terms and conditions stated in this Agreement, a license to use the Marks and the System, and Franchisee undertakes the obligation to operate a SEALMASTER franchised business ("Franchised Business"), as described in the RECITALS to this Agreement. The Franchised Business will use the Proprietary Products solely in connection with the System, as it may be changed and developed periodically. Franchisee will operate the Franchised Business from the following single location only:

_____

_____

_____

If a location has not been designated and approved by the parties as of the Effective Date, Franchisee will select a location pursuant to Section 3, and the location will become part of Section 1(A) as if originally incorporated therein (the "Premises").

Franchisee may establish additional facilities in its Area of Primary Responsibility (as defined in Section 1(B)) for purposes of marketing and distributing SEALMASTER products with Franchisor's prior written consent, which consent will not be unreasonably withheld. The standards for such additional facilities are set forth in the Manual and all applicable provisions of this Agreement apply to such additional facilities, including without limitation, Section 3 of this Agreement.

B. Franchisee receives a protected territory which will vary in size and dimensions, subject to the restrictions in Section 1 of this Agreement. Franchisor will not grant to itself or another person a SEALMASTER franchise of the type offered under this Agreement within such territory, although Franchisor retains the right to grant other franchises as stated below. Franchisor will not, so long as this Agreement is in force and Franchisee is not in material default under any of the terms hereof, franchise or operate any other SEALMASTER franchise of the type offered under this Agreement within the area described on Exhibit A ("Area of Primary Responsibility").

C. Franchisor or any parent, subsidiary or affiliate of Franchisor ("Related Entities") retains the right to directly own and operate or offer franchises for the right to own and operate sales and distribution or application contracting businesses ("Alternative Businesses") using Proprietary Products or different products and using the Marks or different trademarks. Alternative Businesses may be operated within Franchisee's Area of Primary Responsibility. If Franchisor offers Alternative Businesses, Franchisee will be automatically approved as a supplier to Alternative Businesses within its Area of Primary Responsibility; provided that Franchisee is able to service the product and equipment needs of any such Alternative Businesses upon terms and prices mutually acceptable to both Franchisee and the Alternative Business. If Franchisee is unwilling or at any time unable to meet the needs of an Alternative Business, as Franchisor determines, Franchisor, or its designees, may do so without being required in any way to compensate Franchisee for such business.

D. Franchisor has the right to grant other franchises under the Marks or other trademarks outside of the Area of Primary Responsibility as Franchisor deems appropriate. Within the Area of Primary

Responsibility, Franchisor and Related Entities retain the right to grant franchises distinct from the franchise offered herein which may or may not use the "SEALMASTER" Mark. Without limiting the foregoing, Franchisor and Related Entities reserve the right to service National/Regional accounts, which service also may or may not use the Marks, as described in Section 1(H). Franchisor and Related Entities further reserve the right, both within and outside the Area of Primary Responsibility, to sell at both wholesale and retail all products and services which do not use the "SEALMASTER" Mark. Franchisor and Related Entities also may offer all products and services offered in SEALMASTER franchises of the type offered under this Agreement through alternative channels of distribution, such as the Internet or retail stores.

E. In consideration of the franchise granted under this Agreement, Franchisee will pay to Franchisor upon execution of this Agreement _____ Dollars ($_____) as a "Franchise Fee." The Franchise Fee will be deemed fully earned and non-refundable upon execution of this Agreement.

F. Franchisee acknowledges that Franchisor specifically reserves the right to vary standards for any System franchisee based upon the peculiarities of the particular site or circumstance, or any other condition which Franchisor deems to be important to the successful operation of such franchisee's business. Franchisee will not be entitled to require Franchisor to disclose or grant to Franchisee a similar variation.

G. Franchisee agrees to concentrate its marketing and sales activities within its Area of Primary Responsibility. Accordingly, Franchisee agrees that, at a minimum, seventy-five percent (75%) of Franchisee's Gross Sales must be derived within Franchisee's Area of Primary Responsibility. Franchisee does not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Area of Primary Responsibility. Franchisee will not perform services nor offer for sale products or equipment for shipment outside the continental United States without the prior consent of Franchisor.

If a SEALMASTER franchisee generates and services an account or performs work in another SEALMASTER franchisee's area of primary responsibility, the SEALMASTER franchisee who generates and services the account will be required to pay (in the absence of any other mutually agreed arrangement), the franchisee in whose area of primary responsibility the service is performed an amount equal to ten percent (10%) of the Gross Sales received from such account each time another SEALMASTER franchisee services such account, immediately upon receipt of payment for the same. SEALMASTER franchisees may re-negotiate the percentage between themselves. These provisions also apply to customers within Franchisee's Area of Primary Responsibility who were serviced by another SEALMASTER franchisee before sale of the franchise. Failure to report service in another SEALMASTER franchisee's area of primary responsibility to the other SEALMASTER franchisee is grounds for termination of this Agreement. If there is a dispute between franchisees, the decision of Franchisor will be final. For purposes of clarification, this provision does not apply to sales made by Alternative Businesses.

When a Franchisee owns and operates more than one franchise, sales must be allocated to the Franchised Business Premises closest in proximity to the buyer.

H. It is understood that Franchisor currently has and will continue to have "National/Regional Accounts" for the purpose of fulfilling these customers' pavement maintenance needs. Examples of

National/Regional Accounts include restaurants, hotels, commercial and industrial companies and others responsible for regional or national property maintenance. Franchisor may at any time designate an account as a National/Regional Account or remove such designation. Franchisor will administer the National/Regional Accounts. Franchisor will offer Franchisee the opportunity to service those National/Regional Accounts doing business in the Franchisee's Area of Primary Responsibility with products that are part of the System. If Franchisee elects to service a National/Regional Account, Franchisee will comply with all specifications Franchisor directs. The contracted prices for services to be provided for a National/Regional Account may be less than the prices ordinarily charged by Franchisee to its other customers. If that Franchisee elects not to service a National/Regional Account, Franchisor, or its designees, will have the right to do so without payment of any compensation to Franchisee.

I. In addition, Franchisor or its Related Entities may enter into dealer license agreements ("Dealer License Agreements") with road maintenance equipment dealers ("Road Maintenance Equipment Dealer[s]") within Franchisee's Area of Primary Responsibility to sell or rent, at retail, road maintenance products, parts and accessories which may or may not comprise a part of the System. Road Maintenance Equipment Dealers are current sellers of road maintenance products and/or services similar to those products and/or services offered as a part of the System and who operate under a trademark other than the Marks.

Franchisee will have the right to approve each Dealer License Agreement with established Road Maintenance Equipment Dealers within Franchisee's Area of Primary Responsibility, provided such approval will not be unreasonably withheld. In exchange for Franchisee's approval, Franchisee will be paid a commission equal to ten percent (10%) of the purchase price (not including finance or license charges, if any) paid by the Road Maintenance Equipment Dealer to Franchisor for road maintenance products, pavement sealer and related products purchased by the Road Maintenance Equipment Dealer. In most instances, the Road Maintenance Equipment Dealers will receive an approximate twenty-five percent (25%) discount from Franchisor's affiliate's listed retail price for products purchased. Commissions will be credited to Franchisee's account monthly. Franchisee agrees to work cooperatively with Franchisor in furthering the entering into Dealer License Agreements with established Road Maintenance Equipment Dealers. Franchisee will, if so requested, accept and place orders for products from the Road Maintenance Equipment Dealers, with the understanding that Franchisee will have no financial responsibility for any such orders.

2. TERM AND RENEWAL

A. This Agreement will be effective and binding from the Effective Date. The length of the initial term of this Agreement will be equal to ten (10) years and will commence upon the Effective Date (the "Term").

B. Franchisee will have the right to renew the franchise for three (3) additional successive terms of five (5) years each, provided Franchisee fulfills all of the conditions stated below:

1. Franchisee has, during the Term, complied with all its provisions;

2. Franchisee maintains possession of the Premises in full compliance with the Standards then applicable for new or renewing SEALMASTER businesses and presents evidence satisfactory

to Franchisor that it has the right to remain in possession of the Premises for the duration of any renewal term; or, if Franchisee is unable to maintain possession of the Premises, or if in the judgment of Franchisor the Franchised Business should be relocated, Franchisee secures substitute premises approved by Franchisor and has furnished, stocked and equipped such premises to bring the Franchised Business at its substitute premises into full compliance with the then-current Standards by the expiration date of this Agreement;

3. Franchisee has given notice of renewal to Franchisor as provided in Section 2(C) below;

4. Franchisee satisfies all monetary obligations owed by Franchisee to Franchisee's suppliers and Franchisor, and has timely met these obligations throughout the Term;

5. Franchisee executes Franchisor's then-current form of Franchise Agreement with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal Franchise. Franchisee understands that Franchisor's then-current form of Franchise Agreement may contain terms which differ from the terms of this Agreement, including a different percentage Royalty Fee (as described in Section 11(A)), advertising contribution and/or a different territorial grant; provided, however, Franchisee will not be required to pay the then-current initial franchise fee, but rather the then-current renewal fee, if any, not to exceed twenty-five percent (25%) of the then-current Franchise Fee;

6. Franchisee has complied with Franchisor's then-current qualifications and training requirements; and

7. Franchisee and each Principal Owner (as defined in Section 16) executes a release, in a form Franchisor requires, of any and all claims against Franchisor, Related Entities and their respective officers, directors, agents and employees.

C. If Franchisee desires to renew this franchise at the expiration of this Agreement, Franchisee will give Franchisor written notice of its desire to renew at least twelve (12) months, but not more than eighteen (18) months, before the expiration of the Term. Within sixty (60) days after its receipt of such timely notice, Franchisor will furnish Franchisee with written notice of Franchisor's then-current requirements relating to, but not limited to, the image, appearance, decoration, furnishing, equipping and stocking of SEALMASTER businesses, and a schedule for effecting such modifications in order to bring the Franchised Business in compliance with these requirements, as a condition of renewal.

D. Franchisor is under no obligation to renew this Agreement beyond the renewal terms provided for in Section 2, but may elect to offer Franchisee the right to renew beyond the renewal terms, on a case by case basis, on terms that may be substantially different from this Agreement.

3. BUSINESS LOCATION

A. Franchisee may operate the Franchised Business only at the Premises. If the lease for the Premises expires or terminates without fault of Franchisee, or if the site is destroyed, condemned or otherwise rendered unusable, as Franchisor and Franchisee otherwise may agree in writing, Franchisor will grant

permission to relocate Franchised Business to a location acceptable to Franchisor. Any such relocation will be at Franchisee's sole expense.

B. Franchisee will be responsible for purchasing or leasing a suitable site for the Franchised Business. Before the acquisition by lease or purchase of any site for the Premises, Franchisee will submit a description of the proposed site to Franchisor, together with a letter of intent or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining the proposed site. Franchisor will provide Franchisee written notice of approval or disapproval of the proposed site within thirty (30) business days after receiving Franchisee's written proposal.

C. After receiving Franchisor's written approval of the location of the Franchised Business as provided in Section 3(B), Franchisee will execute a lease or a binding agreement to purchase the site, the terms of which have been previously approved by Franchisor. Franchisor will approve the lease, subject to inclusion in the lease of terms acceptable to Franchisor, including, but not limited to:

1. A provision reserving to Franchisor the right, at Franchisor's election, to receive a transfer of the leasehold interest upon termination or expiration of the franchise grant;

2. A provision which expressly permits the landlord of the Premises to provide Franchisor all sales and other information it may have related to the operation of the Franchised Business, as Franchisor may request;

3. A provision which requires the landlord concurrently to provide Franchisor with a copy of any written notice of deficiency under the lease sent to Franchisee and which grants to Franchisor the right (but no obligation) to cure any deficiency under the lease should Franchisee fail to do so within fifteen (15) days after the expiration of the period in which Franchisee may cure the default;

4. A provision which evidences the right of Franchisee to display the Marks in accordance with the Standards, subject only to the provisions of applicable law;

5. A provision that the Premises will be used only for the operation of the Franchised Business;

6. A provision that allows changes to the exterior and interior of the Premises to meet the Standards of the System as specified in the Manual; and

7. A provision which expressly states that any default under the lease will constitute a default under this Agreement.

D. If the location is not designated above, Franchisor will use reasonable efforts, at its own discretion, to help analyze Franchisee's market area, to help determine site feasibility and to assist in the designation of the location, which must be approved by Franchisor; provided, however, that Franchisor will not conduct site selection activities on Franchisee's behalf. While Franchisor will use its experience and expertise in a designation of location, nothing contained herein will be interpreted as a guarantee of success

for said location nor will any site recommendation or approval made by Franchisor be deemed a representation that any particular site is available for use as a SEALMASTER business. Franchisee will be solely responsible to undertake site selection activities and otherwise secure premises for the Franchised Business.

E. If no acceptable site is found and approved by the parties within six (6) months from the date of this Agreement, then upon written notice from either party, this Agreement will be terminated and deposits received by Franchisor will be returned to Franchisee less Franchisor's expenses.

F. Promptly after obtaining possession of the Premises for the Franchised Business, Franchisee will:

1. Prepare and submit for Franchisor's approval a site survey and any modifications to Franchisor's basic architectural plans and specifications (not for construction) for a SEALMASTER business (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating) required for the development of a SEALMASTER business at the Premises. Franchisee may modify Franchisor's basic plans and specifications only to comply with all applicable ordinances, building codes and permit requirements and with Franchisor's prior approval. Franchisor will consult with Franchisee, to the extent Franchisor deems necessary, on the construction and equipping of the Premises, but it is the Franchisee's sole responsibility to diligently design, construct, equip and otherwise ready and open the Premises;

2. Obtain all required zoning changes, all required building, utility, sanitation and sign permits and licenses, and any other required permits and licenses;

3. Purchase or lease equipment, fixtures, furniture and signs as provided herein;

4. Complete the construction and/or remodeling, installation of manufacturing plant, equipment, fixture, furniture and sign and decorating of the Franchised Business in full and strict compliance with plans and specifications approved by Franchisor and all applicable laws, ordinances, building codes and permit requirements.

a. Franchisor will not be responsible for delays in the construction, equipping or decoration of the Premises, or for any loss resulting from the Premises design or construction. Franchisor must approve in writing any and all changes to the Premises furnished by Franchisee before construction of the Premises or the implementation of such changes. Franchisor will have access to the Premises while work is in progress and may require such reasonable alterations or modifications of the construction of the Premises as it deems necessary.

b. Franchisee is strictly responsible for the acts or omissions of its contractors regarding compliance with this Section 3, and Franchisor will have no responsibility for such acts or omissions. Franchisor will not be liable for any loss or damage arising from the design or plan of the Premises, by reason of its approval of plans and specifications, or otherwise. Franchisee will indemnify Franchisor for any loss, cost or expense, including attorneys' and experts' fees, that may be sustained by Franchisor because

of the acts or omissions of Franchisee or Franchisee's contractors, architects and engineers arising out of or related to the design or construction of the Premises.

c. Franchisor will be permitted, at its option, to conduct a final inspection of the completed Premises and may require such corrections and modifications as it deems necessary to bring the Premises into compliance with approved plans and specifications. The Franchised Business will not be allowed to open if the Premises does not substantially conform to the plans and specifications approved by Franchisor. Failure to promptly correct any unauthorized variance from the approved plans and specifications may result in the termination of the Agreement.

5. Franchisee will obtain all customary contractors' sworn statements and partial and final waivers of liens for construction and other services; and

6. Franchisee will otherwise complete development of and have the Franchised Business ready to open and commence the conduct of its business in accordance with Section 13 below.

G. Franchisee will maintain the condition and appearance of the Premises consistent with Franchisor's Standards. Franchisee will effect such reasonable maintenance of the Franchised Business as is periodically required to maintain or improve the appearance and efficient operation of the Franchised Business, including replacement of worn out or obsolete fixtures and signs, repair of the exterior and interior of the Franchised Business and redecorating. If at any time in Franchisor's judgment the general state of repair or the appearance of the Premises or its equipment, fixtures, signs or decor does not meet Franchisor's Standards , Franchisor will notify Franchisee, and Franchisee will take all actions necessary to correct any deficiency. If Franchisee fails or refuses to complete any required maintenance, Franchisor will have the right, in addition to all other remedies, to enter the Premises and make such repairs to the equipment, fixtures or signs on behalf of Franchisee and Franchisee will pay the entire costs of the repair immediately. Franchisee's obligation to initiate and continue any required maintenance will be suspended during any period in which such maintenance is impractical due to war, civil disturbance, natural disaster, labor dispute or other event beyond Franchisee's reasonable control.

H. Franchisee must install a sign on the outside front of the Premises which is in compliance with Franchisor's Standards.

I. Franchisee will be required to periodically make reasonable capital expenditures to modernize the Premises of the Franchised Business so that the Franchised Business will reflect the then-current image intended to be portrayed by SEALMASTER businesses. All modernization of the Premises and replacements will be at Franchisee's sole expense and must be done in accordance with Franchisor's then-current Standards and must be approved by Franchisor in writing. Franchisee will not be required to modernize the Franchised Business Premises during the Term requiring expenditures in excess of Fifty Thousand Dollars ($50,000.00); however, maintenance of the Premises may exceed this amount and maintenance costs may not be credited to modernization expenditures. If the Franchise Agreement will expire within one (1) year after receiving notice that Franchisee must modernize the Premises of the Franchised Business, Franchisee will not be required to make such capital expenditures if it gives Franchisor written notice of non-renewal within ten (10) days of receiving the notice to modernize.

J. At Franchisor's option, Franchisor will provide to Franchisee at cost plus a reasonable mark-up, construction and installation services in order to complete Franchisee's Premises. Franchisee is not required to purchase this service from Franchisor.

4. TRUCKS, VANS AND OTHER MOTOR VEHICLES

A. Franchisor will provide Franchisee with Standards for trucks, vans, tankers and other motor vehicle(s) required for the Franchised Business. Franchisee must start operating the Franchised Business with at least one (1) tanker and Franchisee must add one (1) tanker or bulk storage tank each of the next four (4) years of this Agreement. Franchisee may purchase or lease original and replacement motor vehicle(s) from any source provided they meet Franchisor's Standards.

B. Franchisee, at its expense, will at all times during the Term, maintain the interior and exterior of the motor vehicle(s) use in the Franchised Business in good repair, attractive appearance, sound operating condition and equipped in accordance with Franchisor's Standards. Franchisee, Franchisor's request, will make necessary repairs and equipment modifications or additions to Franchisee's motor vehicle(s) used in the Franchised Business in order to maintain the reputation of the System.

C. It will be the sole responsibility of Franchisee to investigate all applicable licensing, leasing and other requirements to maintain Franchisee's motor vehicle(s) and to ensure ongoing compliance with all such requirements throughout the Term.

D. The motor vehicle(s) used by Franchisee in conducting the Franchised Business must prominently display external SEALMASTER advertising copy, including the SEALMASTER logo and graphics designated and approved by Franchisor. Such logo and graphics must be maintained in good appearance. Additional sales, advertising or display information can be placed on the motor vehicle(s) only with the prior written approval of Franchisor.

E. For purposes of this Section, motor vehicle(s) include(s) tanker(s) and other non-motorized vehicle(s) as appropriate at the discretion of the Franchisor.

5. TRAINING AND ASSISTANCE

A. Franchisor will provide an initial orientation and training program at Franchisor's headquarters or such other place that Franchisor designates for Franchisee, Franchisee's designated manager and Franchisee's outside sales person. Before opening for business, and as soon as practical after signing this Agreement, Franchisee and/or Franchisee's designated manager (if any) will attend and successfully complete, to Franchisor's satisfaction, this orientation and initial training program, of up to three (3) weeks in duration. The orientation and initial training program will cover all material aspects of the operation of a SEALMASTER franchise. Franchisee will be solely responsible for all expenses incurred by Franchisee and its employees in attending such program, including travel costs, room and board expenses, and employees' salaries.

B. For two (2) to five (5) days before Franchisee commences operating the Franchised Business, one (1) of Franchisor's representatives will visit Franchisee, at its Premises and at Franchisor's expense, to facilitate the opening of the Franchised Business. During this period, such representative also will assist Franchisee in establishing and standardizing procedures and techniques essential to the operation of a SEALMASTER business. If Franchisee requests additional assistance from Franchisor in excess of five (5) days to facilitate the opening of the Franchised Business and if Franchisor deems it necessary, Franchisor will provide additional assistance. Franchisee must reimburse Franchisor for the expense of Franchisor in providing such additional assistance at Franchisor's then-current daily rate as published in the Manual, plus travel and living expenses incurred by Franchisor's representative.

C. If Franchisor determines that Franchisee is unable satisfactorily to complete either or both phases (as described in Subsections (A) and (B), above) of the initial training program, Franchisor will have the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section, Franchisor will return to Franchisee the Franchise Fees paid by Franchisee to Franchisor less Franchisor's expenses. Upon return of the Franchise Fees, Franchisor will be fully and forever released from any claims or causes of action Franchisee may have under this Agreement or otherwise and Franchisee will have no further right in the Marks and the System.

D. If Franchisee requests additional training at Franchisor's headquarters, Franchisee will submit to Franchisor, in advance of such training session, a list of all training issues requiring attention. If Franchisor deems it necessary to provide such additional training, Franchisor will not charge a fee for Franchisee's attendance at such additional training session; provided, however, that Franchisee will be responsible for all travel and living expenses incurred in attending such training.

E. If Franchisee designates new or additional managers after the initial orientation and training program, Franchisor will provide training to such managers at the then-current rates as published in the Manual. All designated managers will be required to successfully complete the initial orientation and training program provided at Franchisor's headquarters or such other location Franchisor designates. Franchisee will bear all costs incurred by Franchisee's employees attending such orientation and training program.

F. Franchisor may provide and may require that previously-trained and experienced franchisees, or their managers or employees attend and successfully complete refresher training programs or seminars to be conducted at such location as Franchisor designates. Attendance at such refresher training programs or seminars will be at Franchisee's sole expense; provided, however, that attendance will not be required at more than two (2) such programs in any calendar year and will not collectively exceed ten (10) business days in duration.

6. PROPRIETARY MARKS

A. Franchisee acknowledges that TWI is the owner of the Marks and all the goodwill of the Marks. Franchisee's right to use the Marks is derived solely from this Agreement and is limited to Franchisee's conduct of business in compliance with this Agreement and all applicable Standards Franchisor prescribes during the Term. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor and TWI in the Marks. Franchisee acknowledges that its use

of the Marks and any goodwill established by Franchisee's use of the Marks will inure exclusively to the benefit of Franchisor or TWI and that this Agreement does not confer any goodwill or other interests in the Marks upon Franchisee. Franchisee will not, at any time during or after the Term, contest or assist any other person in contesting the validity or ownership of any of the Marks. All provisions of this Agreement applicable to the Marks apply to any additional trademarks, service marks and commercial symbols authorized for use by Franchisor after the Effective Date.

B. Other than as permitted in the Manual, Franchisee will not use any Mark or portion of any Mark as part of any corporate or trade name or in any modified form. Franchisee will not use any Marks in any manner not expressly authorized in writing by Franchisor.

C. Franchisee will promptly notify Franchisor of any claim, demand or cause of action based upon or arising from any attempt by any third party to use the Marks or any colorable imitation thereof. Franchisee also will notify Franchisor of any action, claim or demand against Franchisee relating to the Marks within ten (10) days after Franchisee receives notice of such action, claim or demand. Franchisor or its affiliate will have the sole right and obligation to defend any such action. Franchisor or its affiliate will have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks. In any defense or prosecution of any litigation relating to the Marks or components of the System, Franchisee will, at its expense, cooperate with Franchisor and its affiliate and execute any and all documents and take all actions as may be desirable or necessary in the opinion of Franchisor to carry out such defense or prosecution. Franchisor makes no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Marks.

D. Franchisor may modify or discontinue use of any of the Marks, and/or use one or more additional or substitute Marks, and Franchisee will comply with Franchisor's directions within a reasonable time after notice to Franchisee by Franchisor, and Franchisor will have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Mark.

E. To preserve the validity and integrity of the Marks and any copyrighted materials licensed herein and to assure that Franchisee is properly employing the same in the operation of its Franchised Business, Franchisor or its agents will have the right to enter and inspect Franchisee's Premises at all reasonable times and, additionally, will have the right to observe the manner in which Franchisee is providing its SEALMASTER services and conducting its operations, to confer with Franchisee's employees and customers, and to select and inspect the SEALMASTER Proprietary Products and other items and services for test and content and evaluation purposes to make certain that the SEALMASTER Proprietary Products and other items and services are satisfactory and meet Franchisor's Standards.

F. Franchisee will not establish a Web site on the Internet in connection with the Franchised Business or using any domain name containing the words "SEALMASTER," "SPORTMASTER" or any variation thereof. Franchisor retains the sole right to advertise on the Internet and create a Web site using the "SEALMASTER" or "SPORTMASTER" domain names. Franchisee acknowledges that Franchisor is the owner of all right, title and interest in and to such domain names as Franchisor designates in the Manual. Franchisor retains the right to pre-approve Franchisee's use of linking and framing between Franchisee's

websites and all other websites. If requested by Franchisor, Franchisee will, within five (5) days, dismantle any frames and links between Franchisee's Web pages and any other Web sites.

7. CONFIDENTIAL OPERATIONS MANUAL

A. During the Term, Franchisor will loan to Franchisee, or in the alternative make available to Franchisee on the SEALMASTER Intranet, one (1) or more copies of the operations manual containing mandatory and suggested specifications, standards, operating procedures and rules Franchisor periodically prescribes for the operation of its SEALMASTER Franchised Businesses and information relative to other obligations of Franchisee under this Agreement as may be modified periodically (the "Manual"). Franchisor will have the right to add to and otherwise modify the Manual periodically to reflect changes in the specifications, standards, operating procedures and rules Franchisor prescribes for SEALMASTER businesses. Any required specifications, standards, operating procedures and rules exist to protect Franchisor's 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 day-to-day operational matters reserved to Franchisee.

B. The Manual will at all times remain the sole property of Franchisor and will promptly be returned upon the expiration or other termination of this Agreement. Franchisee will not make any disclosure, copy or other unauthorized use of any portion of the Manual.

C. The Manual contains proprietary information of Franchisor and will be kept confidential by Franchisee both during and after the Term. Franchisee will at all times ensure that its copy of the Manual be available at the Premises in an up-to-date manner. At all times that the Manual is not in use by authorized personnel, Franchisee will maintain the Manual in a locked receptacle at the Premises and will only grant authorized personnel, as defined in the Manual, access to the key or lock combination of such receptacle. If of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office will be controlling.

8. CONFIDENTIAL INFORMATION

A. Franchisee acknowledges that its entire knowledge of the operation of a SEALMASTER Franchised Business, including the knowledge or know-how regarding the Standards and operating procedures of a SEALMASTER Franchised Business, is derived from information disclosed to Franchisee by Franchisor and that certain of such information is proprietary, confidential, special, and a trade secret of Franchisor ("Confidential Information"). Franchisee agrees that it will maintain the absolute confidentiality of all Confidential Information during and after the Term, and that it will not use any Confidential Information in any other business or in any manner not specifically authorized or approved in writing by Franchisor.

B. Franchisee will disclose the Confidential Information only to the extent and only to such of its employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge and know-how, including drawings, materials, equipment, manufacturing facility systems and methods, merchandising techniques and procedures and other data, which Franchisor designates as confidential will be deemed Confidential Information for purposes of this Agreement, except information

which Franchisee can demonstrate lawfully came to its attention before disclosure by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee, had lawfully become a part of the public domain; or which, after disclosure to Franchisee by Franchisor, lawfully becomes a part of the public domain.

C. Due to the special nature of the confidential information, Marks, and Manual of Franchisor, Franchisee acknowledges that Franchisor will be entitled to immediate equitable remedies, including restraining orders and injunctive relief in order to safeguard such proprietary, confidential and special information of Franchisor and that money damages alone would be an insufficient remedy with which to compensate Franchisor for any breach of the terms of Section 6, 7 and 8 of this Agreement. Furthermore, all employees of Franchisee having access to the confidential information of Franchisor will be required to execute confidential information agreements in a form acceptable to Franchisor, and Franchisee must obtain prior approval from Franchisor to share confidential information with vendors, bankers, consultants, and similar third parties.

D. Franchisee acknowledges and agrees that Franchisor may authorize Franchisee to use certain copyrighted or copyrightable works ("Copyrighted Works"). The Copyrighted Works are the valuable property of Franchisor. The Franchisee's rights to use the Copyrighted Works are granted to Franchisee solely on the condition that Franchisee complies with the terms of this Section 8.

E. Franchisee acknowledges and agrees that Franchisor owns or is the licensee of the owner of the Copyrighted Works and will further create, acquire or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of Franchised Business, including all categories of works eligible for protection under the United States copyright law, all of which will be deemed to be Copyrighted Works under this Agreement. Such Copyrighted Works include the Manuals, advertisements, promotional materials, posters and signs and may include all or part of the Marks, software, trade dress, computer programs, business forms, manuals, advertising, brochures, graphics, photographs, projects, works of art, and other portions of the System. Franchisor intends that all works of authorship related to the System which are created in the future will be owned by it or a Related Entity.

F. If Franchisee develops any new project, work of art or other material in the course of operating its Franchised Business, it shall submit the same for approval to the Franchisor before using it, and if Franchisor approves the use and sale of this service in the Franchised Business, including the terms of such use and sale, this new project, work of art or other material will automatically become the property of Franchisor as though Franchisor had developed the program, project, work of art or other material itself and Franchisee hereby irrevocably assigns all right, title and interest to all such material.

9. MODIFICATION OF THE SYSTEM

Franchisee recognizes that Franchisor periodically may change the System presently identified by the Marks, including the adoption and use of new or modified Marks or Copyrighted Works, new computer programs and systems, new types or brands of merchandise and products, new inventory requirements, new equipment or new techniques and that Franchisee will accept and use for the purpose of this Agreement any such changes in the System as if they were part of this Agreement as of the Effective Date. Franchisee will

make such expenditures as such changes in the System may reasonably require. Franchisee will not change the System in any way without Franchisor's written consent.

10. ADVERTISING

A. Franchisee will submit to Franchisor or its designated agency, for its prior approval, all promotional materials to be used by Franchisee, including material to be used in or on social media, newspapers, radio, mailers, press releases, television advertising, specialty and novelty items, signs, containers and boxes. The form and the means by which the Marks are reproduced, including the reproduction of the Marks in any advertising and promotional materials, letterhead, business cards, and/or stationery, will require Franchisor's prior written consent. The submission of advertising to Franchisor for approval will not affect Franchisee's right to determine the prices at which Franchisee sells its products or services. If Franchisor shall not have disapproved the material submitted for approval within ten (10) days of receipt, it is considered approved.

B. Franchisee will pay to Franchisor, using the same procedures used for reporting and paying Royalty Fee, for deposit in a national advertising and development fund (the "Fund"), a national advertising contribution of one and one-half percent (1.5%) of Franchisee's Gross Sales (as defined in Section 11(A)). Franchisor will place all advertising contributions it receives in the Fund and will manage such Fund. Franchisor also will contribute to the Fund for each SEALMASTER business that it operates in the United States at the same percentage rate as a majority of SEALMASTER franchisees must pay to the Fund. Reasonable disbursements from the Fund will be made solely for the payment of expenses Franchisor incurs in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and implementing advertising, marketing, promotional and public relations campaigns; and the reasonable costs of administering the Fund, including the cost of employing advertising, public relations and other third party agencies to assist Franchisor and providing promotional brochures and advertising materials to SEALMASTER businesses, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to Franchisor's employees engaged in administration of the Fund. The Fund is not a trust or escrow account, and Franchisor has no fiduciary obligations regarding the Fund. Franchisor cannot insure that any individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions of SEALMASTER businesses to the Fund in that year, and may be reimbursed from the Fund if Franchisor spends an amount greater than the aggregate contributions to the Fund. Franchisor may, through the Fund, furnish Franchisee with approved local marketing plans and materials on the same terms and conditions as plans and materials it furnishes to other SEALMASTER franchisees. Franchisor will determine the methods of advertising, media employed and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. Upon written request, Franchisor will provide Franchisee an annual unaudited statement of the receipts and disbursements of the Fund for the most recent calendar year. Franchisor retains the right to terminate the Fund; provided the Fund will not be terminated until all monies in the Fund have been expended for advertising purposes or distributed back to franchisees.

C. Franchisee will spend a minimum of Two Thousand Dollars ($2,000.00) on newspaper, direct mail, advertising or promotional items through other media during Franchisee's initial three (3) months

of operation of the Franchised Business ("Grand Opening Advertising"). Such Grand Opening Advertising will be conducted in accordance with the Manual. Franchisor will establish guidelines for Grand Opening Advertising and will provide such guidelines to Franchisee before or during the initial training program.

D. During each calendar year, Franchisee will spend on local advertising and promotion within the Area of Primary Responsibility a minimum of one percent (1%) of the Gross Sales derived from the Franchised Business for the preceding year just ended. Such expenditures will be made directly by Franchisee, subject to approval and direction by Franchisor or Franchisor's designated advertising agency. Franchisee must keep accurate records of monthly advertising expenditures and make available to Franchisor upon request. Franchisor will provide guidelines for local advertising and any deviation from such guidelines will require the prior approval of Franchisor. Local advertising requirements may include two (2) direct mailings each year, attendance at local and regional equipment shows, yellow pages advertising (as described in Section 10(G) below), local trade journal advertising and weekly advertising in local papers. In addition to the required expenditures for local advertising, each month each of Franchisee's full time outside sales people must complete fifteen (15) new face to face sales presentations to potential contractors or end-users. Franchisee will be required to complete form(s) contained in the Manual which evidence such contacts.

E. Franchisor reserves the right to designate regional and local advertising cooperatives, to establish regional advisory councils and to establish the bylaws and other rules under which such cooperative and councils will operate. Franchisor has the right to (a) allocate any portion of your advertising contributions; and (b) collect and designate all or a portion of your required Local Advertising expenditures for a cooperative advertising program. Franchisor reserves the right to change, dissolve or merge any cooperative advertising programs or advisory councils that are established.

F. If at any time, fifty percent (50%) or more of the franchisees elect to increase the required contributions to the Fund, Franchisee will be required to make contributions to the Fund equivalent to those of all franchisees. Franchisee will not, however, be required to contribute in excess of a total of four percent (4%) of Gross Sales combined for contributions to Fund and local advertising expenditures.

G. Franchisee must maintain a listing in the white pages of the local telephone directory and advertise continuously in the separate Classified or Yellow Pages of the local telephone directory. Franchisee will maintain a Yellow Page listing under three (3) of the following categories: "Asphalt and Asphalt Products"; "Parking Area Maintenance"; "Paving Contractors" or "Tennis Court Construction" and such other listings of the size and type Franchisor deems appropriate. Franchisee will also maintain a listing in the White Pages and advertise continuously in the separate Classified or Yellow Pages under three (3) of the four (4) listings above in telephone directories of all cities with a population of one hundred thousand (100,000) or more people in Franchisee's Area of Primary Responsibility.

H. Franchisor periodically may develop and market special catalogs, brochures and other promotional items which will be made available to Franchisee at Franchisor's cost plus a reasonable mark up. Franchisee will maintain a representative inventory of such promotional items to meet public demand. Franchisee will have the right to purchase alternative promotional items, provided that they conform to Franchisor's Standards.

I. Franchisee will not advertise or use the Marks without appropriate registration marks or other designations where applicable.

11. ROYALTY FEE

A. Franchisee will pay, without deduction of any nature, to Franchisor, during the Term, a monthly royalty equal to five percent (5%) of the Gross Sales derived from the Franchised Business ("Royalty Fee").

For purposes of calculating the Gross Sales for products Franchisee sells to itself or companies with common ownership with Franchisee, the sales price will be deemed to be the greater of the price Franchisee actually charges or ninety percent (90%) of Franchisor's suggested retail price for the region where the Franchised Business is located. The Royalty Fee will be paid monthly, in the manner specified below or as otherwise prescribed in the Manual.

1. On the twenty-fifth (25th) day of each month, Franchisee will submit electronically to Franchisor using the SealMaster reporting software, a correct statement of financial data for the preceding month just ended. On the last business day of each month, Franchisee will submit the Royalty Fee invoice generated by the designated reporting system, together with the Royalty Fee payment for the preceding month just ended, subject to Section 11(A)(3) below. Franchisee will make available to Franchisor, for inspection at reasonable times, all original books and records that Franchisor may deem necessary to ascertain Franchisee's Gross Sales.

2. The term "Gross Sales" means the total of all revenues from anything related to pavement maintenance, including, but not limited to, all sales of sports surface products, pavement maintenance products, equipment, repair services, rental, tools, supplies, including all delivery fees thereof (including such products, equipment, and services not currently offered as part of the System, whether approved or not) to customers of Franchisee (including deposits), all commissions received from other System franchisees or from us and sales derived from any other source, whether or not sold or performed at or from the Franchised Business, and whether received in cash, in services in kind, from barter and/or exchange, on credit (whether or not payment is received) or otherwise. All barter and/or exchange transactions pursuant to which Franchisee furnishes services and/or products in exchange for goods or services to be provided to Franchisee by a vendor, supplier or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the goods and/or services so provided to Franchisee. There will be deducted from Gross Sales (but only to the extent they originally have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if such taxes are separately stated when the customer is charged and if such taxes are paid to the appropriate taxing authority. There will be further deducted from Gross Sales the amount of any documented refunds and other credits given in good faith to customers by Franchisee and any commissions paid to other SEALMASTER franchisees and sales made to Alternative Businesses.

3. Franchisor may require Franchisee to sign electronic transfer of funds authorizations and other documents as Franchisor periodically designates to authorize Franchisee's bank to transfer, either electronically or through some other method of payment designated by Franchisor, directly

to Franchisor's account and to charge Franchisee's account for all amounts due to Franchisor from Franchisee. Franchisee's authorization will permit Franchisor to designate the amount to be transferred from Franchisee's account. If Franchisor requires payment through electronic transfer of funds or a similar method of payment, Franchisee will maintain a balance in its accounts sufficient to allow Franchisor to collect the amounts owed to it when due. Franchisee will be responsible for any penalties, fines or similar expenses associated with the transfer of funds described herein.

B. All Royalty Fees, advertising contributions and amounts due for purchases by Franchisee from Franchisor or Related Entities will bear interest after due date at the greater of eighteen percent (18%) per year or the highest applicable legal rate for open account business credit. Franchisee acknowledges, however, that its failure to pay all amounts when due will constitute grounds for termination of this Agreement, as provided in Section 17 below.

C. Franchisor will have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, advertising contributions, purchases from Franchisor, interest or any other indebtedness.

12. ACCOUNTING AND RECORDS

A. Franchisee will establish and maintain a record keeping system conforming to the requirements prescribed by Franchisor, including the use and retention of sales tickets, purchase orders, invoices, payroll records, check stubs, sales tax records and returns, cash receipts and disbursements journals and general ledgers. Franchisee will preserve for a period of not less than three (3) years, during the Term and for not less than three (3) years following the Term, all accounting records and supporting documentation relating to the Franchised Business.

B. On the twenty-fifth (25th) day of each month, Franchisee will submit electronically to Franchisor using the SealMaster reporting software, a correct statement of financial data for the preceding month just ended. Franchisee will, at its expense, submit to Franchisor within ninety (90) days of the end of each fiscal year during the Term, an income statement for such fiscal year and a balance sheet for the last date of such year. Those annual statements will be prepared and reviewed by an independent certified public accountant in accordance with generally accepted accounting principles applied on a consistent basis. Franchisor reserves the right to require Franchisee to submit audited financial statements. Franchisee annually will submit to Franchisor copies of the federal and state income tax returns for the Franchised Business and individual federal and state income tax returns for each Principal Owner within one hundred twenty (120) days after Franchisee's fiscal year end. In addition, Franchisee will submit copies and advise Franchisor of any proposed and final adjustments to any such income tax returns.

C. Franchisee will submit to Franchisor such other periodic reports, forms and records as specified, and in the manner and at the time specified in the Manual or otherwise in writing.

D. Franchisee will keep true, complete and correct records of each transaction of any activity affecting revenues, inventory, purchasing, sales and other related data of the Franchised Business, as required by Franchisor. Franchisee will use computer hardware and software for such activities. Franchisee will use

those computer systems and programs that Franchisor requires. Franchisor will have full access to all of Franchisee's computer system and related data and information by means of direct access whether in person or by telephone/modem. Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and Franchisee waives any and all claims Franchisee may have against Franchisor as the direct or indirect result of such disruptions, failures, or attacks.

E. Franchisor or its designated agents will have the right at all reasonable times to examine and copy, or require that Franchisee copy and deliver to Franchisor, at its expense, the books, records, and tax returns of Franchisee. Franchisor will also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection should reveal that any payments to Franchisor have been understated in any report to Franchisor, Franchisee will immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the lower of eighteen percent (18%) per year or the maximum rate permitted by law. If an inspection discloses an understatement in any report of two percent (2%) or more, Franchisee will, in addition, reimburse Franchisor for any and all reasonable costs and expenses connected with the inspection (including reasonable accounting and attorneys' fees). The foregoing remedies will be in addition to any other remedies Franchisor may have.

13. STANDARDS OF QUALITY AND PERFORMANCE

A. Franchisee will comply with all requirements stated in this Agreement, the Manual and other written policies supplied to Franchisee by Franchisor. Mandatory Standards will constitute provisions of this Agreement as if fully stated herein and will be reasonably and uniformly applied to all franchisees. Franchisor may, however, at its own discretion vary standards for any System franchisee based on the particularities of the site and other circumstances and conditions that it deems important to the successful operation of the Franchised Business.

B. Franchisee will commence operation (including manufacturing, marketing, sales and renting as described in the RECITALS to this Agreement) of the Franchised Business within six (6) months after the Effective Date, or as otherwise required in Franchisee's lease and approved by Franchisor. The period may be extended in cold climate areas to avoid commencement of operation during the last two (2) months of the pavement maintenance season (generally September and October) or to allow commencement of operation to coincide with the beginning of the pavement maintenance season. Before opening, Franchisee will have complied with all Franchisor's pre-opening Standards. If Franchisee for any reason fails to commence operation as herein provided, such failure will be considered a default and Franchisor may terminate this Agreement.

C. Franchisee will maintain the condition and appearance of the Premises consistent with Franchisor's Standards. Franchisee will maintain the Premises as is periodically required to maintain or improve the appearance and efficient operation of the Franchised Business, including replacement of worn out or obsolete equipment, fixtures and signs and repair of the exterior and interior of the Franchised Business. If at any time in Franchisor's judgment the general state of repair or the appearance of the Premises or its equipment, fixtures, signs or decor does not meet Franchisor's Standards , Franchisor will so notify Franchisee, specifying the action Franchisee must take to correct such deficiency. If Franchisee fails to correct

such deficiency in a timely manner, Franchisor may, at its own discretion, enter upon said Premises without being guilty of trespass or any other tort and effect the necessary corrections at Franchisee's expense.

D. Franchisee will make no material alterations to the Premises nor will Franchisee make material replacements of or alterations to the equipment, fixtures or signs of the Franchised Business without Franchisor's prior written approval.

E. Franchisee shall not manufacture any product as part of the System other than those specifically provided for on and with the batch cards provided to Franchisee and approved by Franchisor from time to time.

F. Franchisor has developed and may continue to develop and specially formulate Proprietary Products, including certain pavement maintenance and sports surface products and related equipment. Franchisee will use and offer for sale the Proprietary Products. The formulae and methods of preparation of the Proprietary Products will be trade secrets of Franchisor and/or Related Entities. To protect its trade secrets and to monitor the manufacture and sale of the Proprietary Products, Franchisor will (i) manufacture and supply the Proprietary Products to its franchisees directly or through a limited number of authorized suppliers; and/or (ii) disclose the formulae for and methods of preparation of the Proprietary Products to a limited number of suppliers authorized to manufacture the Proprietary Products to Franchisor's precise Standards and sell the Proprietary Products to franchisees. Franchisee will purchase the Proprietary Products from Franchisor or a limited number of authorized suppliers. Franchisor or its designee will sell to Franchisee such quantities of the Proprietary Products as Franchisee requires in the operation of the Franchised Business and at prices in effect at the time of purchase.

G. Franchisee will, as Franchisor determines from time to time, carry an adequate supply and maintain a representative inventory of, and will offer for sale, use, sell and provide at the Franchised Business the SEALMASTER Proprietary Products, as outlined in the then-current SEALMASTER catalog, or as otherwise stated in the Manual, together with related products, accessories, supplies and services that Franchisor periodically authorizes. Franchisee will not, without Franchisor's prior written approval, offer for sale, sell or provide at the Franchised Business or from the Premises or within Franchisee's Area of Primary Responsibility any other category of merchandise, products or services or use such Premises for any purpose other than the operation of a Franchised Business in full compliance with this Agreement. Franchisee will also offer to rent pavement maintenance equipment to customers of the Franchised Business.

H. Whenever a product or service requires the use of a particular guarantee, as stated in the Manual, Franchisee will execute and deliver to each customer to whom the product or service has been sold a guarantee on the form then currently furnished by Franchisor. Franchisee will monitor and report to Franchisor the performance of third party suppliers and vendors to perform and fulfill promptly upon presentation of a valid guarantee the services requested by a customer of Franchisee in accordance with the terms and conditions of the respective guarantee. Franchisee authorizes Franchisor to charge Franchisee's account with such amount as will be determined under the provisions of the guarantee policy then in effect if some other franchisee of Franchisor performs service under Franchisee's guarantee. Franchisor will credit Franchisee's account with any charges for service performed by Franchisee that relates to a guarantee issued by any other franchisee.

I. Franchisee will meet or exceed Franchisor's quality standards in operating the Franchised Business. Franchisee will at all times give prompt, courteous and efficient service to its customers. All service performed by the Franchised Business will be performed competently and in a workmanlike manner. The Franchised Business will in all dealings with its customers, suppliers and the public adhere to the highest standards of honesty, fair dealing and ethical conduct. If in any situation Franchisor feels that Franchisee did not fairly handle a customer complaint, Franchisor has the right to intervene and satisfy the customer. Franchisee will reimburse Franchisor for all costs Franchisor incurs in servicing a customer of the Franchised Business.

J. Franchisee will use only such warranty and guarantee forms, work order forms, invoices and other forms Franchisor approves. Franchisee, at its sole expense, will obtain such forms from Franchisor or from suppliers approved by Franchisor. All invoices will be sequentially numbered. Copies of all work order forms and invoices issued by Franchisee will be submitted to Franchisor on a monthly basis.

K. Franchisor will provide to Franchisee a list of approved manufacturers, suppliers and distributors authorized for the Franchised Business ("Approved Suppliers List") and a list of approved inventory, equipment, products, fixtures, furniture, signs, stationery, supplies and other items or services necessary to operate the Franchised Business ("Approved Supplies List"). Franchisor periodically may revise the Approved Supplies List and Approved Suppliers List in its sole discretion. Approved Suppliers may include Franchisor, entities related to Franchisor or third party vendors. If Franchisee proposes to offer for sale or use at the Franchised Business any brand of product or other material or supply which is not on the Approved Supplies List or to purchase any product from a supplier that is not on the Approved Suppliers List, Franchisee will first notify Franchisor and will submit samples and such other information as Franchisor requires for examination and/or testing or to otherwise determine whether such product, material or supply, or such proposed supplier meets the Standards. Franchisee or the proposed supplier will pay Franchisor the reasonable cost of the inspection and evaluation and the actual cost of the test. Franchisor reserves the right to re-inspect the facilities and products of any supplier of an approved item, to impose conditions on or restrictions for continued approval, and to revoke its approval of any item or supplier which fails to continue to meet any of Franchisor's criteria.

L. All inventory, products, materials and other items used in the operation of the Franchised Business which are not specifically required to be purchased in accordance with Franchisor's Approved Supplies List and Approved Suppliers List will conform to the Franchisor's Standards.

M. Franchisee will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and will operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including all government regulations relating to occupational hazards and health, consumer protection, trade regulation, workers' compensation, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes, and sales, use and property taxes. Franchisee will refrain from any merchandising, advertising or promotional practice which is unethical or may be injurious to the Franchisor's business and/or other franchised businesses or to the goodwill associated with the Marks. Franchisee 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 Franchisor periodically may establish. Franchisee must notify Franchisor in writing within five (5) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, injunction, award of decree, by any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of Franchisee or the Franchised Business. Franchisee must notify Franchisor immediately of any suspected data breach at or in connection with the Franchised Business.

N. In operating the Franchised Business, Franchisee will use only displays, labels, forms and other products and documentation imprinted with the Marks and colors as Franchisor directs.

O. Before commencement of operation of the Franchised Business, Franchisee will adequately supply the Franchised Business with a representative inventory, as Franchisor requires, of pavement maintenance materials and products and related merchandise and services associated with the operation of the Franchised Business of the type, quantity and quality as Franchisor specifies. Franchisee will maintain levels of inventory, as determined by Franchisor, that will permit operation of the Franchised Business at maximum capacity.

P. Franchisee (or if Franchisee is an entity, a Principal Owner) who has attended and passed the initial orientation and training program must participate in the day-to-day activities and direct, on-site supervision of the Franchised Business. If Franchisee operates more than one (1) franchise or if Franchisee does not devote Franchisee's full time to conducting the Franchised Business, Franchisee must designate at least one (1) trained and competent employee, approved by Franchisor, to act as full-time manager. Franchisee will keep Franchisor informed at all times of the identity of any employee(s) acting as manager(s) of the Franchised Business. Franchisor may require, and make available training, as is reasonable and necessary, for all full-time managers Franchisee designates. Franchisee will, at all times, faithfully, honestly and diligently perform its obligations under this Agreement and will not engage in any business or other activities that will conflict with its obligations under this Agreement.

Q. Franchisee will maintain a current computer listing of the names and addresses of all customers of the Franchised Business ("Customer List") for use in the after-sale support of SEALMASTER products and services. The Customer List is Franchisor's Confidential Information and will at all times be Franchisor's sole property. Franchisee will supply and update the Customer List on a quarterly basis.

R. Franchisee will make all billings and collections consistent with the credit policies and procedures Franchisor establishes and describes in the Manual.

S. Franchisee will promptly pay all invoices and statements Franchisor, any Related Entity or an Approved Supplier delivers to Franchisee according to the terms thereof and to timely pay all Royalty Fees, advertising fees and any purchases pursuant to this Agreement.

T. Franchisee will notify Franchisor in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, injunction, award or decree of any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the Franchised Business.

U. Franchisee must employ at least one full time fully dedicated outside sales person to the Franchised Business prior to attending the initial orientation and training program who must attend and complete initial orientation and training to the satisfaction of Franchisor. Franchisee must maintain the employment of at least one (1) such sales person for the first three (3) years of the Franchised Business and a minimum of two (2) thereafter. If Franchisee was an existing SEALMASTER franchisee when it entered into this Agreement, Franchisee must have a minimum of two (2) such outside sales persons.

V. Franchisee will hire all employees of the Franchised Business, and be exclusively responsible for the terms of their employment and compensation and all personnel decisions respecting the Franchised Business' employees without any influence or advice from Franchisor.

W. If there is a SEALMASTER business located within close proximity of Franchisee's distribution area that does not have manufacturing capabilities (the "Distribution Facility"), Franchisee agrees to supply the Distribution Facility with the sealer products Franchisor designates ("Designated Products"). Franchisee agrees to supply the Distribution Facility with a reasonable supply of Designated Products. Franchisee agrees to sell such Designated Products to the Distribution Facility at a price no greater than Franchisee's actual cost of raw materials (including shipping and receiving costs thereto related), direct labor (including payroll costs thereto related), plus a fifteen percent (15%) mark-up. Franchisee will sell the Designated Products to the Distribution Facility on the standard terms used by Franchisee, unless Franchisee and the Distribution Facility otherwise agree in writing. In exchange for these terms, Franchisor will not charge Franchisee a Royalty Fee and advertising contributions on the Gross Sales of such Designated Products to the Distribution Facility. Franchisee is not obligated to provide transportation services for the Designated Products. Franchisee acknowledges and agrees that it must provide Franchisor with all records and reports related to the sale of the Designated Products to the Distribution Facility that Franchisor requests. If at any time or for any reason Franchisee is unwilling or unable to supply the Designated Products that the Distribution Facility requests, Franchisor and Franchisee agree to work together to increase the supply of Designated Products to meet the Distribution Facility's needs.

14. FRANCHISOR'S OPERATIONS ASSISTANCE

A. Franchisor periodically may advise Franchisee relative to prices for Proprietary Products and related products and services offered for sale by the Franchised Business that in Franchisor's judgment constitutes good business practice. Any advice will be based on the experience of Franchisor and its franchisees in operating franchised businesses and an analysis of the costs of such products, services and prices charged for competitive inventory and products. Franchisee will not be obligated to accept any such advice and will have the sole right to determine the prices to be charged periodically by the Franchised Business.

B. During the Term, Franchisor will:

1. Provide to Franchisee the Approved Supplies List and Approved Suppliers Lists; however, Franchisor makes no representation or warranty that any particular approved supplier will be willing or able to sell to all franchisees;

2. As Franchisor deems necessary, negotiate group rates on products and supplies;

3. As Franchisor deems necessary, attempt to coordinate equipment, product and supplies distribution for local, regional and national suppliers;

4. Publish a periodic franchisee newsletter at such time as Franchisor determines it is practical to do so; and

5. Periodically provide contractor training, for a fee, to customers of Franchisee.

C. Franchisor will advise Franchisee of problems arising out of the operation of the Franchised Business as disclosed by Franchisee reports submitted to Franchisor or by inspections Franchisor conducts of the Franchised Business. Franchisor may furnish Franchisee with such assistance in connection with the operation of the Franchised Business as Franchisor determines.

D. Franchisor's representatives periodically will visit the Franchised Business to consult and assist Franchisee in all aspects of the operation of the Franchised Business, and especially, to ensure that all franchisees maintain a consistent, sharp, and clean image and follow the prescribed marketing and sales procedures. Franchisor's representatives who visit the Franchised Business may prepare written reports respecting such visits. A copy of each such written report will be provided to Franchisee.

E. Franchisor will deliver to Franchisee a copy of the Manual, containing Standards, Approved Suppliers Lists, Approved and Supplies Lists at the initial training program.

15. INSURANCE

Franchisee agrees to purchase and maintain in force, at its expense, insurance in the amounts and types of coverage as described in the Manual. All insurance policies will: (1) be issued by an insurance carrier(s) acceptable to Franchisor and that otherwise meets the Standards; (2) will name Franchisor and its affiliates as an additional insured; (3) contain a waiver of the insurance company's right of subrogation against Franchisor; and (4) provide that Franchisor will receive thirty (30) days' prior written notice of a material change in or termination, expiration or cancellation of any policy. Franchisor periodically may, with prior written notice to Franchisee, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. The insurance requirements are minimum requirements and Franchisee may purchase and maintain additional insurance policies or insurance policies with greater coverage limits. If Franchisee at any time fails to maintain in effect any insurance coverage required by Franchisor, or to furnish satisfactory evidence thereof, Franchisor, at its option, may obtain insurance coverage for Franchisee. Franchisee agrees to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to Franchisor, on demand, any costs and premiums incurred by Franchisor. Franchisee will provide Franchisor with a copy of the certificate of insurance, insurance policy endorsement or other evidence of insurance Franchisor requires, in compliance with these requirements within two (2) weeks before Franchisee takes possession and commences

development of the Premises. In addition, Franchisee will provide to Franchisor with a copy of the certificate of or other evidence of the renewal or extension of each insurance policy.

16. COVENANTS

A. As described in Section, 13(P), during the Term, Franchisee (or if Franchisee is an entity, a Principal Owner) or Franchisee's full-time manager approved by Franchisor will devote full-time energy and best efforts to the management and operation of the Franchised Business. "Principal Owner" means any person or entity who directly or indirectly owns a ten percent (10%) or greater interest in Franchisee. If any corporation or other entity other than a partnership is a Principal Owner, a "Principal Owner" also will mean a shareholder or owner of a ten percent (10%) or greater interest in such corporation or other entity. If a partnership is a Principal Owner, a "Principal Owner" also will mean each general partner of such partnership and, if such general partner is an entity, each owner of a ten percent (10%) or greater interest in such general partner. If Franchisee is one or more individuals, each individual will be deemed a Principal Owner of Franchisee.

B. During the Term, except as otherwise approved in writing by Franchisor, Franchisee (and each Principal Owner) will not, either directly or indirectly, through any person or legal entity:

1. Divert or attempt to divert any business or customer of the Franchised Business to any competitor, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Marks and the System;

2. Employ or seek to employ any person who is at that time employed by Franchisor or by any other SEALMASTER franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment; or

3. Own, maintain, engage in or have any interest in any business (including any business operated by Franchisee before entry into this Agreement) specializing, in whole or in part, in the manufacture and/or wholesale or retail sale, rental or distribution of pavement maintenance products and related products, or offering, selling or providing merchandise or services the same as or similar to that offered, sold or provided through the System.

C. Franchisee (and each Principal Owner) will not, for a period of three (3) years after the expiration or termination of this Agreement, either directly or indirectly, through any other person or legal entity, own, maintain, engage in, be employed by or have any interest in any business specializing, in whole or in part, in the manufacture and/or wholesale or retail sale, rental or distribution of pavement maintenance products and related products, or offering or providing any other services or selling any merchandise or product the same as or similar to those provided or sold through the System:

1. Within the Metropolitan Statistical Area, as that term is defined the U.S. Census Bureau ("MSA"), in which the Franchised Business is located; or

2. Within a radius of five hundred (500) miles of the Franchised Business Premises; or

3. Within a radius of five hundred (500) miles of the location of any other business using the System, whether franchised or owned by Franchisor.

Franchisee agrees that the length of time in this Section 16(C) will be tolled for any period during which Franchisee is in breach of the covenants or any other period during which Franchisor seeks to enforce this Agreement.

D. Franchisee (and each Principal Owner) will not, without the prior approval of Franchisor, during the Term and for a period of six (6) months after the expiration or termination of this Agreement, either directly or indirectly, through any other person or legal entity, hire any employee who has left the employment of another SEALMASTER franchisee or Franchisor within the last six (6) months. This provision in no way limits the application of Section 16.B.2., above.

E. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. The parties have reviewed and acknowledged that the foregoing covenants are reasonable, including geographical and time limitations. If all or any portion of a covenant in this Section 16 is held unreasonable or unenforceable by a court or agency having valid jurisdiction, Franchisee will be bound by any lesser covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 16.

F. Franchisee understands and acknowledges that Franchisor will have the right to reduce the scope of any covenant stated in Section 16(B) and 16(C) in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon Franchisee's receipt of written notice thereof, and Franchisee will comply with any covenant as so modified.

G. Franchisor will have the right to require all of Franchisee's personnel performing managerial or supervisory functions and all personnel receiving special training from Franchisor to execute similar covenants in a form satisfactory to Franchisor.

17. DEFAULT AND TERMINATION

A. If Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such breach after ninety (90) days' written notice to Franchisor, Franchisee may terminate this Agreement. Franchisee's termination of this Agreement for any reason other than breach of this Agreement by Franchisor and Franchisor's failure to cure such breach within ninety (90) days after receipt of written notice thereof will be deemed a termination by Franchisee without cause.

B. Except as otherwise provided under Section 17(C) below, Franchisor may terminate this Agreement upon written notice to Franchisee (or any Principal Owner) if Franchisee fails to cure any breach within thirty (30) days after delivery of notice of default to Franchisee, including:

1. Failure to promptly commence the design, construction, equipping and opening of the Franchised Business with due diligence, or failure to promptly correct any unauthorized variance from the approved plans and specifications;

2. Failure to report service in another franchisee's area of primary responsibility and pay the appropriate commissions to such franchisee; or

3. Failure to comply with any other provision of this Agreement or any Standard.

C. This Agreement will terminate immediately without notice to Franchisee if Franchisee (or any Principal Owner):

1. Fails or refuses to pay any amounts due Franchisor, or Related Entities, for Royalty Fee, advertising contributions, purchases from Franchisor or any other amounts due to Franchisor, and does not correct such failure or refusal within ten (10) days after written notice of such failure is delivered to Franchisee;

2. Fails to satisfactorily complete the initial training program as provided in Section 5 of this Agreement;

3. Has made any material misrepresentation or omission in its application for the franchise;

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

5. Makes any unauthorized use, disclosure or duplication of any portion of the Manual, or Confidential Information Franchisor provides to Franchisee;

6. Abandons, fails or refuses to actively operate the Franchised Business for two (2) business days in any twelve (12) month period, unless the Franchised Business has been closed for a purpose approved by Franchisor, or fails to relocate to an approved Premises within an approved period of time following expiration or termination of the lease for the Premises;

7. Surrenders or transfers control of the Franchised Business, makes an unauthorized direct or indirect transfer of the franchise or an ownership interest in Franchisee or fails or refuses to transfer the franchise or the interest in Franchisee of a deceased or disabled controlling owner thereof as herein required;

8. Submits to Franchisor any reports or other data, information or supporting records which understates by more than two percent (2%) the Gross Sales reported to Franchisor for any accounting periods;

9. Becomes insolvent within the meaning of any applicable state or federal law; files a petition in bankruptcy or such a petition is filed against Franchisee; makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; if a final judgment remains unsatisfied for thirty (30) days or longer (unless a supersedeas bond is filed); or a suit to foreclose any lien or mortgage against the Premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days;

10. Misuses any Mark or commits any act which can reasonably be expected to materially impair the goodwill associated with any Marks; or

11. Manufactures products as part of the System which are not specifically approved by Franchisor from time to time and included on the batch cards supplied to Franchisee by Franchisor.

12. Fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit when due reports or other information or supporting records, to pay when due the Royalty Fee, advertising contributions, amounts due for purchases from Franchisor or other payments due to Franchisor or otherwise fails to comply with this Agreement.

D. Franchisee's default under this Agreement is also considered a default under any other franchise or other related agreement that Franchisee or any of Franchisee's affiliates may have entered into with Franchisor or its affiliates. If Franchisee or any of Franchisee's affiliates are in default under any other franchise or related agreement that Franchisee or any of Franchisee's affiliates may have entered into with Franchisor or its affiliate, it is considered a default under this Agreement.

18. RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION OR TERMINATION

Upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee will terminate, and:

A. Franchisee will immediately cease operating the Franchised Business and will not, directly or indirectly, represent to the public or hold itself out as a present or former SEALMASTER franchisee.

B. At Franchisor's request, Franchisee will transfer Franchisee's interest in any lease for the Premises to Franchisor, within thirty (30) days after termination or expiration of this Agreement.

C. Franchisee will immediately and permanently cease using all Confidential Information, the System, the Marks, the Copyrighted Works, and all related items, procedures, signs, logos and devices. In particular, Franchisee will cease using all signs, advertising materials, stationery, forms and any other articles which display the Marks.

D. Franchisee will take all necessary actions to cancel any assumed name or equivalent registration which contains the name "SEALMASTER" or any Mark of Franchisor, and furnish Franchisor with evidence of such action within thirty (30) days after termination or expiration of this Agreement.

E. If Franchisee operates any other business, Franchisee will not use any reproduction or colorable imitation of the Marks either in connection with such other business, which is likely to cause confusion or otherwise dilute Franchisor's exclusive rights in the Marks. Franchisee will not use any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor so as to constitute unfair competition. Franchisee will make such alterations to the Premises (including the changing of the telephone or facsimile number, and the removal of all distinctive physical and structural features identifying the System) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business Franchisee or others subsequently operate at the Premises. If Franchisee fails or refuses to comply with the requirements of this Section 18, Franchisor will have the right to enter the Premises without being guilty of trespass or any other tort, to make such changes as may be required at Franchisee's expense.

F. Franchisee will promptly pay all sums owing to Franchisor, all Related Entities and all Approved Suppliers.

G. Franchisee will pay to Franchisor all damages and expenses, including reasonable attorneys' fees Franchisor incurs in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

H. Franchisee immediately will turn over to Franchisor the Manual, customer lists, records, files, instructions, brochures, agreements, disclosure statements and all other materials containing Confidential Information or that Franchisor otherwise provided to Franchisee relating to the operation of the Franchised Business.

I. Franchisor will acquire without further expense all right, title and interest to any signage at the Premises bearing Franchisor's Marks. Franchisee acknowledges Franchisor's right to access the Premises should Franchisor elect to take possession of any such signage.

J. Franchisor will have the right (but not the duty), upon thirty (30) days' notice after termination or expiration, to purchase any equipment, supplies, and other inventory, advertising materials and all items bearing Franchisor's Marks (other than as provided in Section 18(I)), at Franchisee's cost or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, the determination of fair market value will be submitted to arbitration in accordance with Section 31. If Franchisor elects to exercise any option to purchase herein provided, it will have the right to set off all amounts due from Franchisee under this Agreement against any payment therefor.

K. Franchisee will comply with the covenants contained in Section 16 of this Agreement.

L. All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, will continue in full force and effect following its expiration or termination, until they are satisfied or by their nature expire.

M. Upon termination or expiration of this Agreement, Franchisee will assign to Franchisor or its designee, all of Franchisee's right, title and interest in and to the telephone numbers and facsimile numbers

and Internet addresses associated with the Franchised Business and will notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers and facsimile numbers and Internet and electronic mail addresses and any regular, classified or other telephone directory listing associated with the Marks and authorize a transfer of such items to Franchisor or its assignee.

19. TRANSFERABILITY OF INTEREST

A. This Agreement and all rights hereunder may be transferred by Franchisor and, if so, will be binding upon and benefit Franchisor's successors.

B. This Agreement and all rights hereunder may be transferred by Franchisee, subject to Franchisor's prior written consent and right of first refusal as stated in this Agreement. Any such transfers will be binding upon and benefit Franchisee's successors. In addition, as a condition to transfer of this Agreement, Franchisee must comply with the follow conditions:

1. Franchisee pays and satisfies all of Franchisee's obligations to Franchisor;

2. The transferee (and any owners) demonstrates to Franchisor's satisfaction that he/she meets Franchisor's managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to conduct the franchised business;

3. The transferee or Franchisee pays to Franchisor a transfer fee not to exceed fifty percent (50%) of the then-current franchise fee;

4. The transferee attends and successfully completes Franchisor's initial training program;

5. The transferee enters into a written agreement, in form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations and covenants under this Agreement for the remainder of its Term or, at Franchisor's option, signs Franchisor's then-current standard form of franchise agreement (which may contain different provisions);

6. Franchisee (and each Principal Owner, if applicable) signs a general release, in form and substance satisfactory to Franchisor, of any and all claims against Franchisor and its Related Parties, except to the extent limited or prohibited by applicable law; and

7. Franchisee (and each Principal Owners, if applicable) signs an agreement, in form satisfactory to Franchisor, in which Franchisee and each Principal Owner covenants to observe the post-termination covenant not to compete and all other applicable post-termination obligations.

C. Franchisee will not, without the prior written consent of Franchisor, advertise or otherwise communicate at the Premises or elsewhere the sale of the Franchised Business or the rights granted under this Agreement.

20. DEATH OR INCAPACITY OF FRANCHISEE

A. If there is a death or incapacity of an individual Franchisee, or any partner of a Franchisee which is a partnership or any shareholder owning fifty percent (50%) or more of the capital stock of a franchise which is a corporation, or any member owning fifty percent (50%) or more of the membership interest of the franchise which is a limited liability company, the heirs, beneficiaries, devisees or legal representatives of such individual, partner or shareholders will, within one hundred eighty (180) days of such event:

1. Apply to Franchisor for the right to continue to operate the Franchised Business for the duration of the Term, which right will be granted subject to Section 19(B) (except that no transfer fee will be required); or

2. Sell, transfer or convey Franchisee's interest in compliance with the provisions of Section 19(B), of this Agreement; provided, however, if an application for the right to continue to operate has been made and rejected, the one hundred eighty (180) days to sell, transfer or convey will be computed from the date of such rejection. For purposes of this Section 20, Franchisor's silence on an application through the one hundred and eighty (180) days following the event of death or incapacity will be deemed a rejection made on the last day of such period.

B. If there is death or incapacity of an individual Franchisee, or any partner or shareholder of a Franchisee which is a partnership or corporation, where the provisions of Section 20(A) have not been fulfilled within the time provided, all rights franchised to Franchisee under this Agreement will, at Franchisor's option, terminate.

C. For purposes of this Agreement, the term "incapacity" will be defined as the inability of Franchisee to operate or oversee the operation of the Franchised Business on a regular basis by reason of any continuing physical, mental or emotional incapacity, chemical dependency or other limitation.

21. RIGHT OF FIRST REFUSAL

If Franchisee or the Principal Owners propose to sell the Franchised Business (or its assets) or part or all of the ownership of Franchisee, Franchisee will deliver to Franchisor within fifteen (15) days after receiving a bona fide, executed written offer to purchase the Franchised Business (or its assets) a copy of such offer. Franchisor will have of fifteen (15) days from the date of delivery of such offer to provide notice to Franchisee of Franchisor's intent to purchase the Franchised Business (or its assets) or such ownership for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer. If Franchisor does not exercise this right of first refusal, the offer may be accepted by Franchisee, subject to the prior written approval of Franchisor, as provided in Section 19, provided that if such offer is not so accepted within six (6) months after the date that Franchisee provides notice of the offer to Franchisor, Franchisor will again have the right of first refusal described in this Section.

22. FRANCHISOR OPERATION OF THE FRANCHISED BUSINESS

If Franchisee is absent or incapacitated by reason of illness or death and is not able to operate the Franchised Business, in the sole judgment of Franchisor, Franchisor has the right to operate the Franchised Business for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement. Nothing contained herein will create an obligation on the part of Franchisor, nor will Franchisor's operation of the Franchised Business create an obligation on the part of Franchisor to so operate the Franchised Business. All monies from the operation of the business during such period of operation by Franchisor will be kept in a separate account and the expenses of the business, including reasonable compensation and expenses for Franchisor's representative, will be charged to said account.

23. INDEPENDENT CONTRACTOR

A. Franchisor and Franchisee are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venture or employee of the other. Neither party will independently obligate the other to any third parties or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Franchisee must conspicuously identify itself at the Premises and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Franchised Business under a franchise agreement from Franchisor, and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as Franchisor requires.

B. Franchisee agrees to indemnify and hold Franchisor and its subsidiaries, affiliates, stockholders, members, directors, officers, employees and agents harmless against, and to reimburse them for, any loss, liability or damages arising out of or relating to Franchisee's ownership or operation of the Franchised Business, this Agreement, the relationship between Franchisor and Franchisee, or Franchisee or Franchisee's employees' actions or inactions and all reasonable costs of defending any claim brought against any of them or any action in which any of them is named as a party (including reasonable attorneys' fees) unless the loss, liability, damage or cost is solely due to the Franchisor's gross negligence or willful misconduct.

C. Franchisor agrees to indemnify and hold Franchisee and its officers, directors and agents harmless against, and to reimburse them for, any loss, liability or damage solely arising from or relating to Franchisor's gross negligence, willful misconduct or breach of this Agreement, and all reasonable costs of defending any claim brought against it or any action in which it is named as a party (including reasonable attorneys' fees).

D. The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement.

24. NON-WAIVER

Franchisor's waiver of any breach by Franchisee, or Franchisor's delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce Franchisor's rights respecting that or any other breach.

25. NOTICES

Any and all notices required or permitted under this Agreement will be in writing and will be personally delivered, delivered by messenger or overnight delivery services, mailed by certified mail return receipt requested, or facsimile transmission, and will be effective when received or confirmation of receipt is acknowledged to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: InFrasys, Inc.
P. O. Box 2218
Sandusky, Ohio 44870
Fax No.: (419) 626-5477

Courtesy Copy to: Lathrop GPM LLP
Lindsey Day, Esq.
80 S. 8th Street, 500 IDS
Minneapolis, Minnesota 55402
Fax No.: (612) 632-4350

Notices to Franchisee: _____
_____
_____
Fax No.: _____

Courtesy Copy to: _____
_____
_____
Fax No.: _____

Any notice by certified mail will be deemed to have been given at the date and time of mailing.

26. COST OF ENFORCEMENT OR DEFENSE

A. Franchisor may recover from Franchisee reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation (including interest on expenses), in the event that Franchisor prevails in any action instituted against Franchisee.

B. If Franchisor becomes a party to any litigation or arbitration proceeding concerning this Agreement, the Franchised Business, or the Premises by reason of any act or omission of Franchisee or its authorized representatives and not by any act or omission of Franchisor or any act or omission of its authorized representatives, or if Franchisor becomes a party to any litigation or any insolvency proceedings pursuant to the bankruptcy code or any adversary proceeding in conjunction with an insolvency proceeding, Franchisee will be liable to Franchisor for reasonable attorneys' fees, experts' fees and court costs Franchisor incurs in such arbitration, litigation or proceeding regardless of whether such arbitration, litigation or proceeding or

action proceeds to judgment. In addition, Franchisor may add all collection, interest, attorneys' fees and experts' fees to its proof of claim in any insolvency proceedings filed by Franchisee.

27. ENTIRE AGREEMENT

The "Recitals" section, the exhibit(s) to this Agreement, and that certain Franchisee Disclosure Questionnaire are a part of this Agreement, which represents the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. No other representation has induced Franchisee to execute this Agreement, and there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect respecting this Agreement. No modification of this Agreement will be binding on either party unless executed in writing by both parties. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

28. SEVERABILITY AND CONSTRUCTION

A. Nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee and such of their respective successors as may be contemplated by this Agreement, any rights or remedies under or by reason of this Agreement.

B. 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. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or non-renewal of this Agreement than is required, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any Standard is invalid or unenforceable, the prior notice and/or other action required by law or rule will be substituted for the comparable provisions.

29. APPLICABLE LAW

A. Subject to Franchisor's rights under federal trademark laws and the parties' rights under the Federal Arbitration Act respecting Section 30 below, this Agreement will be governed by and construed under the laws of the State of Ohio, without regard to any conflict of laws principles of such state. The parties agree that the Ohio Business Opportunity Law or any other state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Franchisee waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation.

B. Any claims, controversies or disputes arising out of or related to this Agreement that are not subject to arbitration as provided below, will be brought in the Federal District Court for the Northern District of Ohio in Toledo, Ohio or in Erie County District Court in Sandusky, Ohio. Each of Franchisor and Franchisee irrevocably consents to the jurisdiction of such courts. The provisions of this Section 29(B) will survive the termination of this Agreement.

30. ARBITRATION

A. Except to the extent that Franchisor elects to enforce the provisions of this Agreement by injunction as described in Section 29(B) below, any claim by either party arising out of or relating to this Agreement, or any breach thereof, except for any disputes relating to Confidential Information or the Marks, will be submitted to arbitration in Erie County, Ohio, in accordance with the rules of the American Arbitration Association and judgment upon the award may be entered in any court having jurisdiction thereof. The decision of the arbitrator(s) will be final and binding on all parties; provided, however, the arbitrator(s) may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful Term or any reasonable standard of business performance set by Franchisor. Further, the arbitrator(s) may not permit or approve class actions or joinder of claims with any other party, or permit any person or entity that is not a party to this Agreement to be involved in or to participate in any arbitration hearings conducted under this Agreement. This Section 30 will survive termination or nonrenewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During any arbitration proceeding, Franchisor and Franchisee will fully perform their respective obligations under this Agreement. This arbitration provision will be deemed to be self-executing and if that such party fails to appear at any properly noticed arbitration proceeding, award may be entered against that party notwithstanding its failure to appear.

B. Notwithstanding Sections 30(A) above, Franchisee recognizes that a single franchisee's failure to comply with the terms of its agreement could cause irreparable damage to Franchisor and/or to some or all other SEALMASTER franchisees. Therefore, if Franchisee breaches or threatens to breach any of the terms of this Agreement, Franchisor will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the arbitrators.

C. Franchisee and Franchisor and their affiliates agree to waive, to the fullest extent permitted by law, the right to or a claim for any punitive or exemplary damages against the other and agree that if there is a dispute between them, each will be limited to the recovery of actual damages sustained by it.

D. All claims, proceedings, and actions arising out of or relating to this Agreement, the relationship of the parties, or the Franchisee's operation of the Franchised Business, including any proceeding or action, or any claim in any proceeding or action (including any defenses and any claims of set-off or recoupment), must be brought or asserted before the expiration of the earlier of: (A) the time period for bringing an action or proceeding under any applicable state or federal statute of limitations; (B) one (1) year after the date upon which a party discovered, or should have discovered, the facts giving rise to any alleged claim; or (C) two (2) years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims, actions, or proceedings shall be irrevocably barred.

31. GUARANTY

All Principal Owners of a Franchisee which is a corporation, partnership or other entity, and their spouses will sign the Guaranty and Assumption Agreement in the form attached to this Agreement as Exhibit B (the "Guaranty Agreement"). Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of Franchisee under the provisions of this Section 15 or otherwise will, as a condition of becoming a Principal Owner, sign the Guaranty Agreement. Franchisee will furnish to Franchisor at any time upon reasonable request a certified copy of the Articles of Incorporation or Articles of Organization and a list, in a form Franchisor reasonably requires, of all shareholders or members of record and all persons having a beneficial interest in any corporation or other entity that is or becomes a Franchisee.

32. FORCE MAJEURE

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party will be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, war, governmental action or other causes beyond the reasonable control of the parties, and in any event said time period for the performance of an obligation hereunder will be extended for the amount of time of the delay. This clause will not apply or not result in an extension of the Term.

33. ACKNOWLEDGMENTS

A. Franchisee represents and acknowledges that it has received, read and understood this Agreement and Franchisor's Franchise Disclosure Document; and that Franchisor has fully and adequately explained the provisions of each to Franchisee's satisfaction; and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

B. Franchisee affirms and agrees that Franchisor may sell its assets, its Marks or its System outright to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buy out or other economic or financial restructuring; and, with regard to any or all of the above sales, transfers and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of InFrasys, Inc. as Franchisor hereunder.

C. Franchisee has been advised to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee has either consulted with such advisors or has deliberately declined to do so.

D. Franchisee acknowledges that, except as set forth in this Agreement, Franchisee has not received and have not relied on any representations, warranties, or guarantees, express or implied, regarding actual or potential revenues, income, earnings, profitability, or success of the Franchised Business.

E. Franchisee acknowledges that Franchisor and/or Franchisor's Related Parties periodically may make available to Franchisee goods, products and/or services for use in the Franchised Business on the sale of which Franchisor and/or its affiliates may make a profit. Franchisor further advises Franchisee that Franchisor and its affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to Franchisee or in consideration for services provided or rights license to such persons. Franchisee agrees that Franchisor and its affiliates will be entitled to such profits and consideration.

F. Franchisee acknowledges that the covenants not to compete stated in this Agreement are fair and reasonable, and will not impose any undue hardship on Franchisee, since Franchisee has other considerable skills, experience and education which afford Franchisee the opportunity to derive income from other endeavors.

G. Franchisee affirms that all information stated in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, with Franchisee expressly acknowledging that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

H. Franchisee acknowledges that there are certain risks and health hazards that may be associated with the handling of hazardous materials, hazardous waste and/or hazardous equipment. Franchisee further acknowledges that use of certain hazardous materials, hazardous waste and/or hazardous equipment is an integral part of the Franchised Business.

I. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that, like any other business, an investment in a SEALMASTER business involves business risks and that the success of the venture is largely dependent upon the business abilities and efforts of Franchisee.

The parties to this Agreement have executed this Agreement as of the Effective Date.

InFrasys, Inc.	FRANCHISEE
By:_____	By:_____
_____	
	By::_____

EXHIBIT A TO THE FRANCHISE AGREEMENT

INFRASYS, INC.

DESCRIPTION OF AREA OF PRIMARY RESPONSIBILITY

InFrasys, Inc.:	FRANCHISEE:
By:_____	By:_____
Title:_____	Title:_____
Date:_____	Date:_____

EXHIBIT B TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, _____, by _____.

In consideration of and as an inducement to the execution of that certain Franchise Agreement of even date herewith ("Agreement") by InFrasys, Inc. ("Franchisor"), each of the undersigned, jointly and severally, hereby personally and unconditionally (1) guarantees to Franchisor and its successors for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (2) will personally be bound by and personally liable for the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (4) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (1) his direct and immediate liability under this guaranty will be joint and several; (2) he will make any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (4) such liability will not be diminished, relieved or otherwise affected by any extension of time, or credit which Franchisor may periodically grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this guaranty, which will be continuing and irrevocable during the term of the Agreement.

Sections 24 and 32 (Waiver), 26 (Cost of Enforcement or Defense), 27 (Entire Agreement), 28 (Severability and Construction), 29 (Governing Law and Venue), and 30 (Arbitration) of the Franchise Agreement apply to Guarantors and this Guaranty.

Each of the undersigned has signed this Guaranty on the same day and year as the Agreement was executed.

GUARANTOR(S)	PERCENTAGE OF OWNERSHIP IN FRANCHISE
_____	
_____	
_____	

EXHIBIT C TO THE FRANCHISE AGREEMENT

INFRASYS, INC.

CONVERSION FRANCHISE AGREEMENT

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INFRASYS, INC.

CONVERSION FRANCHISE AGREEMENT

This Conversion Franchise Agreement ("this Agreement"), is made this _____ day of _____, 20 ___, by and between InFrasys, Inc., a corporation formed under the laws of the State of Minnesota and having its principal place of business at 2520 South Campbell Street, P.O. Box 2218, Sandusky, Ohio 44870, ("Franchisor"), and _____ ("Conversion Franchisee"), a _____ corporation doing business at _____.

RECITALS:

A. Conversion Franchisee has been engaged in the manufacture of pavement sealants for at least two (2) of the past five (5) years, meets Franchisor's standards for "Conversion" franchises, and desires to become a SEALMASTER franchisee;

B. Franchisor and Conversion Franchisee have simultaneously entered into a Franchise Agreement ("Franchise Agreement") whereby Conversion Franchisee is granted a franchise to operate a SEALMASTER Franchised Business ("Franchised Business"), to use the "SEALMASTER" marks ("Marks"); and, to use Franchisor's System in connection therewith;

C. Franchisor and Conversion Franchisee desire to modify the terms of the Franchise Agreement as follows:

1. INCORPORATION OF TERMS OF FRANCHISE AGREEMENT

This Agreement will amend and supplement the Franchise Agreement. The provisions of this Agreement are incorporated into the Franchise Agreement. With respect to any conflict between the Franchise Agreement and this Agreement, the terms of this Agreement will be controlling with respect to the subject matter thereof.

2. INITIAL FRANCHISE FEE

A. In consideration for the franchise granted under the Franchise Agreement, Franchisee will pay to Franchisor an initial franchise fee of Twenty Five Thousand Dollars ($25,000.00) in lieu of the franchise fee set forth in Section 1(E) of the Franchise Agreement. The conversion franchise fee is due and payable in full upon execution of this Agreement and the Franchise Agreement for the Franchised Business and is not refundable in whole or in part and is deemed fully earned when paid.

B. In addition, Conversion Franchisee must pay to Franchisor all other fees and payments as are more fully described in the Franchise Agreement without deduction.

3. CONVERSION OF FRANCHISEE'S BUSINESS TO THE SEALMASTER SYSTEM

A. Before signing the Franchise Agreement and this Agreement, Conversion Franchisee will have furnished to Franchisor, in conjunction with its application to be accepted as a SEALMASTER Conversion Franchisee, information pertaining to the existing site of Conversion Franchisee's business. Such information includes, but is not limited to, a map and written description of the existing site; photographs of the existing location; the lease for the location; and such other information as Franchisor in its sole discretion deems appropriate.

B. Within thirty (30) days after the execution of the Franchise Agreement, Conversion Franchisee will deliver to Franchisor a copy of the lease for the location of the Franchised Business. Any default under the lease will constitute a default under the Franchise Agreement. If Conversion Franchisee renews the lease at any time during the term of the Franchise Agreement, Conversion Franchisee will obtain from landlord and submit to Franchisor for approval, a lease containing those provisions required in Section 3(C) of the Franchise Agreement.

C. Any such amended lease, sub-lease or other rental or purchase agreement must meet with Franchisor's prior written approval (not to be unreasonably withheld) and, if Franchisor does not approve such amended lease, sub-lease or other rental agreement within the time limits and following the procedure specified herein, this Agreement and the Franchise Agreement may be terminated by Franchisor, whereupon all funds paid by Conversion Franchisee to Franchisor hereunder will be refunded by Franchisor, and this Agreement will be void.

D. Immediately following the execution of this Agreement, Franchisor will furnish to Conversion Franchisee the design criteria specifications for the Premises as stated in the Franchise Agreement. Conversion Franchisee must perform such construction, renovation and refurbishing as is necessary to conform and comply with Franchisor's standards, specifications and criteria. Before the commencement of construction, renovation or refurbishing of the Premises, Conversion Franchisee must submit to Franchisor (or its designee) all pertinent architectural, engineering, construction, layout and design plans, prints, drawings and related documents for review and final approval as is more fully detailed in Section 3(F) of the Franchise Agreement.

E. Before commencing operation of the Franchised Business, Conversion Franchisee must remove all materials, furniture, fixtures, signs and equipment which do not conform with the SEALMASTER System, are not approved by Franchisor, or which do not meet the Standards.

F. Conversion Franchisee will at all times conduct the Franchised Business in compliance with the SEALMASTER System and the Standards, cease providing services or using equipment or other items which Franchisor has not designated to be components of the SEALMASTER System.

G. Before commencing franchised operations, Conversion Franchisee will attend and successfully complete an initial training program of approximately one (1) week at Franchisor's headquarters or at a Franchisor designated location. The initial and on-site training programs provided by Franchisor are more fully detailed in Sections 5(A) and 5(B) of the Franchise Agreement.

H. As of the date on which Conversion Franchisee commences operating its business as a SEALMASTER Franchised Business, Conversion Franchisee will identify and represent its business as a SEALMASTER business through the use and display of the Marks. During a period of one (1) year following the commencement of business as a SEALMASTER franchisee, Conversion Franchisee may display, with Franchisor's prior written approval, secondary signage of such size, content and style as Franchisor directs in the Manual to advise the public of the former trade name under which Conversion Franchisee previously conducted its business. On the first anniversary of the commencement of operations as a SEALMASTER franchisee, or at such later date as the parties may agree, Conversion Franchisee, at its sole expense, will cease using all references to its prior trade name and carry out its business activities only as a SEALMASTER franchisee and only under the Marks.

I. Before commencing franchised operations, Conversion Franchisee will convert all of its books, accounts, ledgers, customer lists, bookkeeping systems and related records and systems so as to comply with the Standards, including the installation of a computer and Internet connection, as is more fully stated in the Manual.

J. Conversion Franchisee must complete all necessary construction or renovations to comply with the Standards and commence operation of the Franchised Business within sixty (60) days after signing the Franchise Agreement and this Agreement, unless Franchisor agrees otherwise.

4. CONFIDENTIAL INFORMATION AND RESTRICTIVE COVENANTS

A. Conversion Franchisee agrees that, notwithstanding the fact that it has operated a business or has been employed in a capacity offering or selling goods and services similar to those offered under the SEALMASTER System, it will be bound by the restrictions on the use of Confidential Information stated in Section 8 of the Franchise Agreement. Conversion Franchisee further acknowledges that all information pertaining to customers of Conversion Franchisee before the execution of the Franchise Agreement will be deemed to be Confidential Information of the Franchisor.

B. Conversion Franchisee expressly acknowledges that despite the fact that it had been in the business of manufacturing pavement sealants and related merchandise and providing services before becoming a SEALMASTER franchisee, Conversion Franchisee will be bound by the in-term and post-term covenants not to compete stated in Section 16 of the Franchise Agreement and all other applicable provisions of Section 8 of the Franchise Agreement.

5. ACKNOWLEDGMENTS

Conversion Franchisee (and Principal Owner, if applicable) acknowledges, warrants and represents to Franchisor that:

(a) It has, for at least two (2) of the past five (5) years, engaged in the manufacture of pavement sealants and related merchandise similar to those offered through the System.

(b) She/He (or a Principal Owner) is the majority owner and operator of its business.

(c) She/He (or a Principal Owner) does not operate or hold a majority interest in other retail businesses offering products and services similar to those offered through the System which have not been converted to the SEALMASTER System.

(d) Conversion Franchisee's and Principal Owner's (if applicable) execution of the Franchise Agreement and this Agreement will not cause or result in the breach of any other agreement to which Conversion Franchisee or Principal Owner is a party.

(e) No other person or other entity has any right, title or interest in or to Conversion Franchisee's business. Conversion Franchisee's business has not been mortgaged, pledged or assigned and there are no judgments, liens, executions or proceedings pending which may alter, decrease or remove Conversion Franchisee's interest in such business.

(f) Conversion Franchisee acknowledges that the information submitted and the representations made to Franchisor as an inducement for Franchisor to enter into this Agreement are accurate and truthful.

The parties have signed this Agreement on the day and year first stated above.

InFrasys, Inc.:	FRANCHISEE:
By:_____	_____
Title:_____	_____

50273012v2

EXHIBIT C TO THE DISCLOSURE DOCUMENT

INFRASYS, INC.

SEALMASTER FRANCHISEES

LIST OF FRANCHISEES*
AS OF SEPTEMBER 30, 2022

STATE	FRANCHISEE	ADDRESS	PHONE
ALABAMA			
	Chad Sayler	2780 Pinson Valley Parkway Birmingham, AL 35217 (Store Front Only)	855-293-8784
ALASKA			
	Donell Bond	2421 E 88th Ave Anchorage, AK 99507	907-338-7325
ARIZONA			
	Dave Boon	2003 W. McDowell St. Phoenix, AZ 85009	877-253-4670
COLORADO			
	Kirk Darfler and Ken Godin	4851 Forest Street Commerce City, CO 80022	800-732-5649
CONNECTICUT			
	Mike Musto	110 Blackstone River Road Worcester, MA 01607 (Store Front Only)	508-926-8080
DELAWARE			
	Tom Decker, Jr.	11 James Court Wilmington, DE 19801 (Store Front Only)	302-654-4811
FLORIDA			
	Darrel Stein	5050 Denver Street Tampa, FL 33619	813-630-1695
GEORGIA			
	Chad Sayler	535 Frederick Ct. SW Atlanta, GA 30336	800-505-8818
HAWAII			
	Dennis Hutki and Mark Collings	2927 Mokumoa Street Honolulu, HI 96819-4404	808-839-2782
IDAHO			
	Keven McEntee	6438 S. Supply Way Boise, Idaho 83716	208-392-1483
ILLINOIS			
	Michael Bashir and Kevin Shields	375 Roma Jean Parkway Streamwood, IL 60167	877-370-7325
INDIANA			
	Jacob Bernath	1010 East Sumner Indianapolis, IN 46227	866-352-1588
KANSAS			
	John Smith	2635 Southwest Boulevard Kansas City, MO 64108	816-569-5382
KENTUCKY			
	Jacob Bernath	520 Marret Avenue Louisville, KY 40208	800-281-5204
MAINE			
	Jeff Thompson and Rob Brown	9 Newcomb Street Portland, ME 04103 (Store Front Only)	603-260-6647
MARYLAND			
	Tom Decker, Jr.	10817 Williamson Lane Cockeysville, MD 21030	800-365-4496

STATE	FRANCHISEE	ADDRESS	PHONE
MASSACHUSETTS			
Mike Musto		110 Blackstone River Road Worcester, MA 01607	508-926-8080
MICHIGAN			
Darrel Stein		27989 Van Born Road Romulus, MI 48174	313-292-2299
MINNESOTA			
Jay Pakalski		951 Apollo Road Eagan, MN 55121	800-519-3554
MISSISSIPPI			
Brian Cratz		1124 Weems St Pearl, MS 39208 (Store Front Only)	601-936-0080
MISSOURI			
Michael Bashir and Kevin Shields		13616 NW Industrial Circle Bridgeton, MO 63044	877-370-7325
NEW HAMPSHIRE			
Jeff Thompson and Rob Brown		45 Butrick Road Londonderry, NH 03053 (Store Front Only)	603-260-6647
NEW JERSEY			
Darrel Stein		12 Kyle Street Manville, NJ 08835 (Store Front Only)	888-567-1955
NEW MEXICO			
Kevin Gullick		5216 Wilshire NE Albuquerque, NM 87113	800-914-8834
NEW YORK			
Bill Smith		30 Railroad Ave Albany, NY 12205 (Store Front Only)	800-914-8834
John Walsh		366 Moffitt Boulevard Islip, NY 11751	631-277-7055
Conrad Kloc		555 Ludwig Avenue Buffalo, NY 14227	800-878-1198
NORTH CAROLINA			
Darrel Stein		703 West Decatur Street Madison, NC 27025	800-364-7556
OKLAHOMA			
Dustin Brasier		1628 Kelham Oklahoma City, OK 73129 (Store Front Only)	405-200-1992
OREGON			
Zach Russell		211 N. Schmeer Rd. Portland, OR 97217	866-289-6767
PENNSYLVANIA			
Darrel Stein		6853 Ruppsville Rd. Allentown, PA 18106	888-567-8899
L.J. Rich		4551 W. State Street Hillsville, PA 16132	724-667-0444
SOUTH CAROLINA			
Darrel Stein		3203 Leapheart Rd West Columbia, SC 29169 (Store Front Only)	855-856-9100

STATE	FRANCHISEE	ADDRESS	PHONE
TENNESSEE			
Brian Cratz		300 Oldham Street Nashville, TN 37920	866-302-5505
TEXAS			
Darrel Stein		3111 W. Saner Avenue Dallas, TX 75233	214-333-4343
Bryan Peterson		14435 I-10 East Freeway Houston, TX 77015	877-753-4446
UTAH			
John Moody		6778 W. 2100 South West Valley, Utah 84128	801-252-8996
VERMONT			
Jeff Thompson and Rob Brown		TBD (Store Front Only)	TBD
VIRGINIA			
Tom Decker, Jr.		8368 Old Richfood Road Mechanicsville, VA 23116 (Store Front Only)	866-986-7325
WISCONSIN			
Jay Pakalski		W 140-N 5985 Lilly Rd. Menomonee Falls, WI 53051	800-519-3554
WYOMING			
Kirk Darfler and Ken Godin		3414 Polk Avenue Cheyenne, WY 82001 (Store Front Only)	307-632-5234
PUERTO RICO			
Magdalena Diaz		Carr 845 km 1.6 Cupey Bajo San Juan, PR 00928	787-436-7399

*Many of these franchisees operate multiple store fronts in their franchised territories.

EXHIBIT D TO THE DISCLOSURE DOCUMENT

INFRASYS, INC.

SEALMASTER FRANCHISEES

LIST OF TERMINATED AND TRANSFERRED FRANCHISEES

In our fiscal year ending September 30, 2022, the following Franchise was reacquired by Franchisor:

Mike Held
Los Angeles, CA
877-331-7325

No other franchisees were terminated, transferred or not renewed and no franchisee has failed to communicate with us within the 10 weeks prior to the date of this disclosure document.

If you buy a Franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT E TO THE DISCLOSURE DOCUMENT

INFRASYS, INC.

LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	Virginia State Corporation Commission Division of Securities and Retail	1300 East Main Street, 9th Floor Richmond, VA 23219-3630
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT F TO THE DISCLOSURE DOCUMENT

INFRASYS, INC.

TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL

Chapter	**Number of Pages**
Introduction	10
Establishing a SealMaster Business	52
Financial Accounting and Reporting	30
Personnel	52
Office Procedures	101
Product Manufacturing, Equipment Training Procedures, Manufacturing Troubleshooting, and Maintenance Guide	35
Selling SealMaster Products	35
The SealMaster Advertising Program	25
TOTAL	**340**

EXHIBIT G TO DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, InFrasys, Inc. and you are preparing to enter into a Franchise Agreement for the operation of a SealMaster Franchised Business. In this Franchisee Disclosure Questionnaire, InFrasys, Inc. will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the InFrasys, Inc. Franchise Agreement and each exhibit, addendum schedule attached to it?
   Yes ____ No ____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?
   Yes ____ No ____

   If "No," what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

   _____

   _____

   _____

   _____

   _____

   _____

   _____

   _____

3. Have you received and personally reviewed our disclosure document we provided to you?
   Yes ____ No ____

4. Do you understand all of the information contained in the disclosure document?
   Yes ____ No ____

If "No," what parts of the disclosure document do you not understand? (Attach additional pages, if necessary.)

_____

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5. Have you discussed the benefits and risks of operating a SealMaster Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?
Yes ____ No ____

6. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?
Yes ____ No ____

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of the SealMaster Franchised Business that our franchisees or we operate?
Yes ____ No ____

8. Has any employee or other person speaking on our behalf made any statement or promise concerning a SealMaster Franchised Business that is contrary to, or different from, the information contained in the disclosure document?
Yes ____ No ____

9. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a SealMaster Franchised Business?
Yes ____ No ____

10. Has any employee or other person speaking on our behalf made any statement or promise concerning the total amount of revenue a SealMaster Franchised Business will generate?
Yes ____ No ____

11. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs you may incur in operating a SealMaster Franchised Business that is contrary to, or different from, the information contained in the disclosure document?
Yes ____ No ____

12. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a SealMaster Franchised Business?
Yes ____ No ____

13. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the disclosure document?
Yes ____ No ____

14. If you have answered "Yes" to any of questions seven (7) through thirteen (13), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of such questions, please leave the following lines blank.

_____

_____

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_____

15. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us?
Yes ____ No ____

You understand that your answers are important to us and that we will rely on them.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

_____
Name of Franchisee/Applicant

Date: _____, 20_____

_____
Signature

_____
Name and Title of Person Signing

*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.

EXHIBIT H TO THE DISCLOSURE DOCUMENT

INFRASYS, INC.

STATE SPECIFIC ADDENDA

ILLINOIS ADDENDUM TO INFRASYS, INC.
DISCLOSURE DOCUMENT

This Addendum relates to franchises sold in the state of Illinois and is intended to comply with Illinois statutes and regulations.

Illinois law shall apply to and govern the Franchise Agreement.

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.

Franchisees' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

Exhibit G, Additional Disclosure:

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.

ILLINOIS ADDENDUM TO INFRASYS, INC.
FRANCHISE AGREEMENT

This Addendum relates to franchises sold in Illinois and is intended to comply with Illinois statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

Illinois law shall apply to and govern the Franchise Agreement.

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.

Franchisees' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

FRANCHISOR:
INFRASYS, INC.

By_____
Its _____

FRANCHISEE:

By_____

By_____

MARYLAND ADDENDUM TO INFRASYS, INC.
DISCLOSURE DOCUMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

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

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

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

The Franchisee Questionnaire included in Exhibit G and those specific acknowledgements shall not apply to prospective franchisees who are Maryland residents or who seek to purchase a franchise located in Maryland.

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.

MARYLAND ADDENDUM TO INFRASYS, INC.
FRANCHISE AGREEMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

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.

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.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
INFRASYS, INC.

By_____
Its _____

FRANCHISEE:

By_____

By_____

MINNESOTA ADDENDUM TO INFRASYS, INC.
DISCLOSURE DOCUMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

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

Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5, which currently requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure), 180 days notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

MINNESOTA ADDENDUM TO INFRASYS, INC.
FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Minnesota law provides franchisees with certain termination and nonrenewal rights. Minnesota Statutes Section 80C.14, subds. 3, 4 and 5 require, except in certain specified cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

The Minnesota Department of Commerce requires that Franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of Franchisee's use of Franchisor's trademark but Franchisor shall indemnify Franchisee for claims against Franchisee solely as it relates to Franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and Franchisor's standards. As a further condition to indemnification, Franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If Franchisor accepts tender of defense, Franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce Franchisee's rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of Franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
INFRASYS, INC.

By_____
Its _____

FRANCHISEE:

By_____

By_____

NEW YORK ADDENDUM TO INFRASYS, INC.
DISCLOSURE DOCUMENT

The disclosure document is amended as follows:

1. Item 3 is amended by the addition of the following language:

"Neither we, our predecessors, nor any person identified in Item 2 has any administrative, criminal or civil action pending against them alleging: a felony; a violation of franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, neither we, our predecessors, nor any person identified in Item 2 has any 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."

"Neither we, our predecessors, nor any other person identified in Item 2 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."

"Neither we, our predecessors, nor any person identified in Item 2 is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under 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."

2. Item 4 is amended to read as follows:

"During the 10 year period immediately before the date of the disclosure document neither we nor Affiliate, our predecessors or current officer or general partner of ours, has (a) filed as debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that ever filed as a debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code, or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership."

3. The summary column of Item 17(c) and each provision for general releases to be executed by Franchisee is subject to the following:

"All rights enjoyed by you and any causes of action arising in its favor from the provisions of Article 33 of the GBL of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied."

4. The summary column of Item 17(i) will be amended to include the following language:

"However, no assignment will be made except to an assignee who, in the good faith judgment of us, is able to assume our obligations under the Agreement."

5. The summary column of Item 17(w) will be amended to include the following language:

"Choice of law should not be considered a waiver of any right conferred upon you by the General Business Law ("GBL") of the State of New York, Article 33.

NORTH DAKOTA ADDENDUM TO INFRASYS, INC.
DISCLOSURE DOCUMENT

This Addendum relates to franchises sold in the State of North Dakota and is intended to comply with North Dakota statutes and regulations.

Item 17. Item 17 of the is disclosure document is amended by the addition of the following:

1. Items 17(c) and (m) are amended to provide that we cannot require you to sign a release as a condition to renewal or transfer.

2. Item 17(i) is amended to delete the phrase "pay all damages and costs we incur in enforcing provisions of the Franchise Agreement."

3. Item 17(r) is amended to provide that covenants not to compete which extend beyond the termination of the franchise are generally considered unenforceable in the State of North Dakota.

4. Items 17(u) and (v) are amended to provide that we cannot require you to agree in advance to mediate or arbitrate disputes or agree to litigation outside the State of North Dakota.

5. Item 17(w) is deleted and replaced with the words "not applicable."

NORTH DAKOTA ADDENDUM TO INFRASYS, INC.
FRANCHISE AGREEMENT

This Addendum relates to franchises sold in North Dakota and is intended to comply with North Dakota statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Release. Section 2 of the Franchise Agreement is amended to provide that Franchisor cannot require Franchisee to sign a general release as a condition of renewal.

2. Covenant Not to Compete. Sections 16 of the Franchise Agreement is amended to provide that covenants not to compete upon termination or expiration of the Franchise Agreement are generally considered unenforceable in the State of North Dakota.

3. Post-Termination Obligations. Section 18(G) of the Franchise Agreement is deleted.

4. Venue. Sections 29(A) and (B) of the Franchise Agreement are deleted.

5. Arbitration. Section 30(A) of the Franchise Agreement is amended to replace the words "in Erie County, Ohio" with "at a site mutually agreeable to all parties."

6. Damages. Section 30(C) of the Franchise Agreement is deleted.

7. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISOR:
INFRASYS, INC.

By_____
Its _____

FRANCHISEE:

By_____

By_____

RHODE ISLAND ADDENDUM TO INFRASYS, INC.
FRANCHISE AGREEMENT

This Addendum relates to franchises sold in Rhode Island and is intended to comply with Rhode Island statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Governing Law. Section 29(A) of the Franchise Agreement is amended by the addition of the following sentence: "Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a 'provision in a franchise agreement restricting jurisdiction or venue to a forum outside the state or requiring the application of the laws of another state is void respecting a claim otherwise enforceable under this Act.'"

2. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISOR:
INFRASYS, INC.

By_____
Its _____

FRANCHISEE:

By_____

By_____

VIRGINIA ADDENDUM TO INFRASYS, INC.
DISCLOSURE DOCUMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

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

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

VIRGINIA ADDENDUM TO INFRASYS, INC.
FRANCHISE AGREEMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
INFRASYS, INC.

By_____
Its _____

FRANCHISEE:

By_____

By_____

WASHINGTON ADDENDUM TO INFRASYS, INC.
FRANCHISE AGREEMENT

This Addendum relates to franchises sold in Washington and is intended to comply with Washington statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Venue. Section 29(B) of the Franchise Agreement is deleted.

2. Other Modifications.

A. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There also may be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

B. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

C. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, will prevail.

D. A release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a trial by jury, may not be enforceable.

E. Transfer fees are collectible to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.

3. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISOR:
INFRASYS, INC.

By_____
Its _____

FRANCHISEE:

By_____

By_____

RELEASE OF CLAIMS

THIS IS A CURRENT FORM THAT IS SUBJECT TO CHANGE IN THE FUTURE.

For and in consideration of the Agreements and covenants described below, InFrasys, Inc. ("InFrasys") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

A. InFrasys and Franchisee entered into a SealMaster® Franchise Agreement dated _____, ____.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to the terms and conditions set forth below, InFrasys and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration**. [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release.** Franchisee hereby releases InFrasys, its officers, directors, shareholders, and agents, and their respective successors, assigns, heirs, and personal representatives, from all debts, representations, agreements, liabilities, actions, and causes of action of every kind and nature arising out of or relating to the Franchise Agreement between InFrasys and Franchisee, the offer and sale of that franchise and the franchise relationship between the parties.

5. **General**. No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of _____ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

FRANCHISEE:	INFRASYS, INC.
_____	
BY: _____	BY: _____
ITS: _____	ITS: _____
DATE: _____	DATE: _____

EXHIBIT I TO THE DISCLOSURE DOCUMENT

INFRASYS, INC.

STATE EFFECTIVE DATES AND RECEIPTS

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
California	See separate FDD
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	See separate FDD
Washington	See separate FDD
Wisconsin	Pending

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

RECEIPT

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

If InFrasys, Inc. ("InFrasys") offers you a franchise, InFrasys must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, InFrasys or its affiliate in connection with the proposed franchise sale. Under Michigan law, if applicable, this period may be 10 business days, which could be longer than 14 calendar days. In addition, under Iowa and New York law, if applicable, InFrasys may be required to provide this disclosure document to you at the earlier of your first personal meeting to discuss the franchise or 10 business days before you sign a binding agreement with, or make a payment to InFrasys or its affiliate.

If InFrasys 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 those state administrators listed on **Exhibit E**. InFrasys authorizes the respective state agencies identified on **Exhibit E** to receive service of process for InFrasys in the particular state.

Issuance Date: January 26, 2023

The franchisor is InFrasys, Inc. located at 2520 South Campbell Street, Sandusky, Ohio 44870. Its telephone number is (800) 341-7325.

InFrasys' franchise sellers involved in offering and selling the franchise to you are listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement:_____

I have received a disclosure document with an issuance date of January 26, 2023, that included the following Exhibits:

A. Financial Statements
B. Franchise Agreement (and Exhibits)
C. SealMaster Manufacturing Facilities and Franchised Businesses
D. List of Terminated and Transferred Franchisees
E. List of State Authorities/Registered Agents
F. Table of Contents of Confidential Operations Manual
G. Franchisee Disclosure Questionnaire
H. State Specific Addenda (including sample release of claims)
I. State Effective Dates and Receipts

Date: _____
(Do not leave blank)

_____
(Print Name of Prospective Franchisee (For Entity))

By: _____
Its: _____

Signature _____

_____
(Print Name of Prospective Franchisee (For Individuals))

Signature _____

Copy for Franchisee

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I. State Effective Dates and Receipts

Date: _____
(Do not leave blank)

_____
(Print Name of Prospective Franchisee (For Entity))

By: _____
Its: _____

Signature _____

_____
(Print Name of Prospective Franchisee (For Individuals))

Signature _____

Please sign and date both copies of this receipt, keep one copy (Copy for Prospective Franchisee) for your records, and mail one copy (Copy for InFrasys, Inc.) to the address listed on the front page of this disclosure document or send to our Franchise Administrator in the Legal Department by fax to (419) 626-5477.

Copy for InFrasys, Inc.